



DEPARTMENT OF THE PRIME MINISTER

Government
Publications

[Statements & Speeches]

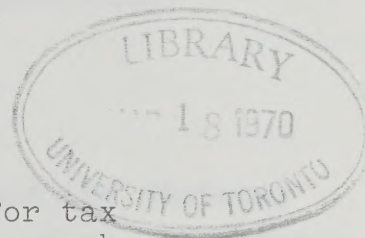
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Toronto, Ontario.

January 2, 1970.



The federal proposals for tax reform contained in the recent white paper have been the subject of a good deal of public discussions in recent weeks.

The Government of Ontario is determined to make a constructive contribution to the development of a co-ordinated system of taxation for Canadians and, therefore, has entered into this discussion. Such a system must be equitable for all and provide resources to match the responsibilities of all three levels of government: federal, provincial and municipal.

While there are a number of proposals in the white paper with which we agree, there are others with which we strongly disagree. The views of the Government of Ontario were presented to the federal-provincial Tax Structure Committee meeting on December 11th and 12th. I discussed these in the Legislature on December 17th and attach for your information a copy of my remarks dealing with the federal proposals, especially as they affect the operation of small businesses.

John P. Roberts

John Roberts.
Prime Minister.

ADDRESS BY THE HONOURABLE JOHN ROBARTS
PRIME MINISTER OF ONTARIO
ON FEDERAL-PROVINCIAL FINANCIAL DISCUSSIONS
DURING THE BUDGET DEBATE
IN THE LEGISLATURE OF ONTARIO, WEDNESDAY, DECEMBER 17th, 1969

MR. SPEAKER:

The Provincial Treasurers and the Minister of Finance met in Ottawa last week as part of the continuing deliberations of the Tax Structure Committee.

The Treasurer of Ontario presented to that meeting a paper outlining the views of the Government of Ontario on the federal proposals for tax reform. I should like to discuss several of the aspects which were raised and reflect upon the results of that meeting.

I am particularly pleased by a number of developments at the meeting of the reactivated Tax Structure Committee. The decision to have the Tax Structure Committee meet quarterly rather than annually is a step forward. I am hopeful that this means the beginning of a new era of meaningful consultation between the federal and provincial governments on fiscal and financial matters which affect all of us.

I am further encouraged by the assurance we received that there would be a full exchange of research material on the reform of the tax system.

REPORT OF THE COMMISSIONER OF THE GENERAL LAND OFFICE
IN THE MATTER OF THE LANDS OF THE
CROWN IN THE DISTRICT OF
SURREY, 1900

1900

The following is a list of the lands of the Crown in the District of Surrey, 1900.

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There were indications of a more flexible attitude on the part of the federal participants. I particularly welcome the interest shown by the Minister of Finance in exploring thoroughly all aspects of the federal white paper on tax reform before legislation is drafted. I welcome this because, as I have stated on several occasions recently, we had a distinct feeling following a recent meeting that there was little likelihood that the federal government would make many changes in their proposals before a final policy was adopted. We are more hopeful now that we are not to be handed another fait accompli similar to medicare.

As I have said, all of this is most encouraging. However, the best news of all for the people of Ontario is the report that for the first time in a good many years it was recognized by the federal government that something must be done about the growing deficits projected for the provincial-municipal levels of government.

We are hopeful that this means there will be a retreat from the rigid position previously taken by the federal government that if the provinces need more money to meet the responsibilities of the provincial and municipal governments, we should "go out and tax". If this change of attitude is real and is translated into action it will be a most important indication that at last there is a thawing taking place in the fiscal cold war between the federal and provincial governments.

You will recall that when the Prime Ministers and premiers met in February of this year we specifically requested that the Tax Structure Committee take a careful look at the projected revenue and expenditures of both the federal and provincial-municipal governments.

There are indications of a new attitude

on the part of the Federal Government.

It is interesting to note the interest shown by the Minister of

Finance in the following thoroughly all-around of the Federal

Government in the future before legislation is passed.

I believe this because, as I have stated in several occasions

recently, we had a distinct feeling following a recent meeting

that I was the first to realize that the Federal Government

could move and change in their programme before a final

decision was adopted. We are now hopeful that this is not

only a matter of time but a matter of months.

As I have said, all of this is very encouraging.

However, the fact that all the people of Canada are

the more that the first time in a long time there is any

interest by the Federal Government in the people and in

the future of the country is a very encouraging sign.

Financial report of Government.

We are hopeful that this report will be

a report from the first time in a long time.

Financial Government that it has been a long time since we have

had the responsibility of the Government and the

Government, as stated "to the people". It is this

because it is now that is maintained into action in 1911

and because the Government that is now is a

taking place in the financial and between the Federal and

provincial governments.

The all-around view from the future

and the future of the country in 1911 is very

encouraging and the Government has a

of the financial and expenditure of the Federal

and provincial governments.

We also asked for recommendations to deal with these. We asked further that the Tax Structure Committee examine the problems which have arisen in the operation of shared cost programs which followed the federal government's unilateral terminating, freezing or changing the terms of such programs as the Health Resources Fund, the Technical and Vocational Training Agreement, urban renewal and housing. This has threatened to disrupt the constitutional review because it created an atmosphere which made it highly unlikely that our long-term problems could be easily settled.

The finance ministers were presented with a report dealing with both the revenue and expenditure projections of shared-cost programs. They decided that this report was so important that they should meet again in the first week of February to discuss it thoroughly prior to making recommendations to the Prime Ministers when we meet on February 16th.

As far as this Government is concerned, that meeting in February can be very productive. It can go a long way toward smoothing the general course of federal-provincial relations, providing the federal government decides to deal with some of the legitimate grievances which have been raised.

For our part, the Government of Ontario will do all it can to improve cost-controls in various shared-cost programs which, quite understandably, is a major concern of the federal government in its budgetary planning.

During the meeting of the Tax Structure Committee, the consistent policy of the Government of Ontario on tax reform was put forward by the Treasurer.

In pressing for a full review of the proposals put forward in the federal white paper on taxation, he emphasized that we believe tax reform should embrace the full range of taxes so that all taxpayers are treated fairly. He expressed concern lest the federal government adopt a piecemeal rather than a comprehensive approach to tax reform.

If we are to achieve comprehensive tax reform, the interests of municipalities must be given first consideration because this is where the major tax inequities and financial problems exist. Our own programs are committed to broadening the municipal tax base and transferring increased resources to the municipal governments to relieve the property tax paper.

We are concerned that the proposed income tax reforms may not provide scope for complementary reform measures at provincial and municipal levels. In particular, increased use of the personal income tax field by Ottawa will limit provincial use of this same field to offset and de-emphasize property taxes, retail sales taxes and health insurance premiums, all of which bear heavily on people with low incomes.

The need for comprehensive tax reform emphasizes the necessity of full participation by both the federal and provincial governments in determining the final form and structure of not only income taxes but also gift and death taxes.

The basic imbalance between both the existing and projected revenues of the federal and provincial governments has again been confirmed by the projections which the Tax Structure Committee has just completed. They show that during the next three fiscal years the federal government will enjoy substantial surpluses while the provincial-municipal sector will experience mounting deficits.

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These projections make it crystal clear that present federal taxes are more than adequate to finance anticipated federal expenditure responsibilities, whereas present provincial-municipal taxes are grossly inadequate to finance their responsibilities.

Consideration of the federal tax proposals cannot be divorced from this fundamental reality. The federal proposals are designed to significantly increase the federal capacity to raise revenue, while ignoring provincial-municipal requirements. We believe that a workable program of tax reform must proceed in the opposite direction. The federal income tax revenues should be reduced, or at least not increased, to provide elbow room for increased provincial and municipal tax effort without raising total tax burdens.

Further, the Government of Ontario believes that the estimate in the white paper of net revenue resulting from full implementation of the federal reform package of \$630 million is a substantial underestimation of the tax increases built into the reform proposals.

We believe this because the white paper omits the increased taxes which will result from the mining and oil industries after 1974. We would guess that the proposed changes in this area alone will produce an additional \$200 to \$250 million in revenue.

Our analysis of the white paper proposals also suggests that the federal government has underestimated potential revenue gains and overestimated potential revenue losses from some of its personal income tax reforms.

All in all, our analysis suggests that the total revenue from tax increases could be twice as large as the federal estimate and certainly in excess of \$1 billion when the proposed reform plan reaches maturity.

While many of the proposals in the white paper appear to be imaginative and fair, they constitute sweeping changes in a complex field. While we want to see positive change in our tax structure, co-ordinated at all levels, we must be certain they will not have a detrimental effect.

The Government of Ontario is deeply disturbed by the impact which the federal proposals would have on new and small business.

There is no doubt that small businesses will be among those hardest hit by the proposed changes. The difficult position in which the small businessman finds himself was eloquently presented to the House during the Budget Debate by the Honourable Member for Eglinton.

As a Government we cannot accept what the white paper proposals will do to this vital segment of our community.

Over a five-year period, the federal proposals would drastically increase the rate of corporate income tax on businesses. In Ontario there are 28,000 companies with a taxable income of \$35,000 or less. At present, an Ontario company is taxed at a rate of 23 per cent on its first \$35,000 of taxable income and 52 per cent of taxable income beyond this level. Under the federal proposal the lower rate for the first \$35,000 would be withdrawn. The result would be an increase in the tax on the first \$35,000 of taxable income to \$18,200 from \$8,050.

The effect of this on the small businessman in Ontario would be disastrous. It would destroy the backbone of the economy of Ontario. It is our small businesses that have sparked the growth of our province. It is the entrepreneur who organizes, manages and assumes the risks of enterprise. These are the people to whom we in Ontario and Canada must look to provide the new jobs, the additional goods and the expanded services for our growing economy.

Our examination of the white paper proposals suggests that those who establish small businesses stand to lose the lower rate of taxation which has helped to finance the expansion of business and our economy. The federal proposals would tax businessmen on legitimate costs of developing an enterprise. The man who launches a business today has difficulty enough securing sufficient finances for his venture. He should not be subjected to further discouragement from unreasonable demands by government. His energy and initiative must not be suppressed. What is required by the small businessman is tax relief, not a heavier burden.

We believe that the elimination of the lower rate of corporation tax, plus the proposed stringent treatment of business expenses, will inhibit the growth and expansion of small businesses, penalize scarce entrepreneurial talent, and discourage new, innovative high-risk enterprises. The end result could well be a lower rate of economic growth and a slowing of the Canadian economy.

The impact of the tax proposals on new and small business must be reconsidered. Alternatively, we have strongly urged that the federal government moderate its proposals affecting small businesses, or provide special incentives, such as those advocated by the Carter Royal Commission on Taxation, which will offset the impact of the proposals.

Another concern of the Government of Ontario is the effect the federal tax proposals have on potential capital borrowing by the provinces and municipalities. One result of the continuing problem in the sharing of tax revenues is the necessity for the provinces and municipalities to issue debentures to finance schools, hospitals, sewerage, water and power facilities to accommodate future growth. Since the federal tax proposals appear to favour equity securities over debt securities, they may curtail seriously our ability to meet these responsibilities.

The Government of Ontario is also increasingly concerned by suggestions that the federal government is considering major new spending programs when we at the provincial and municipal levels are finding it extremely difficult to finance the growing costs of basic services. To contemplate new public initiatives while present priorities are not being met demonstrates a basic lack of understanding of some of the most urgent problems confronting Canada today.

Ontario has other reservations about the federal tax proposals, including the stimulus they could give to the already difficult problem of inflation. This potential danger could well wipe out most of the additional relief proposed for those with low incomes.

Moreover, the tax increases proposed in the white paper will be largely secured from the savers, not the spenders, among our taxpayers. In addition, the white paper proposals could generate particular price pressures.

Therefore, in our submission to the Tax Structure Committee we cautioned that a tax reform package with inflationary potential should not be implemented until the current inflation has fully subsided.

As I stated at the outset, I am encouraged by the outcome of the meeting last week and look forward to a new era of co-operation on fiscal matters and consideration of the requirements of the provincial and municipal needs.

I should like to emphasize that the Government of Ontario is determined to make a constructive contribution toward the development of a co-ordinated system of taxation in Canada. We must develop a system that is equitable for all residents of Canada, provide a climate for the continued development of Canada and assure that all three levels of government -- federal, provincial and municipal -- have financial resources which match their responsibilities.

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Government
Publications

STATEMENT BY
THE HONOURABLE WILLIAM G. DAVIS
PREMIER OF ONTARIO

TO THE LEGISLATURE
THURSDAY, JUNE 15TH, 1972

ON THE 10TH ANNIVERSARY
OF THE PROCLAMATION OF
THE ONTARIO HUMAN RIGHTS CODE

MR. SPEAKER:

I SHOULD LIKE TO DRAW THE ATTENTION OF ALL HONOURABLE MEMBERS TO THE FACT THAT TODAY MARKS A SIGNIFICANT MILESTONE IN THE HISTORY OF ONTARIO'S LEGISLATIVE ACTION IN THE FIELD OF HUMAN RIGHTS. IT IS A MILESTONE OF WHICH WE CAN JUSTLY BE PROUD AND I THINK IT MERITS OUR TAKING A FEW MOMENTS TO DWELL ON IT. TODAY, JUNE 15TH, MARKS THE TENTH ANNIVERSARY OF THE PROCLAMATION OF THE ONTARIO HUMAN RIGHTS CODE.

JUNE 15TH IS ALSO MAGNA CARTA DAY AND THE COINCIDENCE IS NO ACCIDENT. THE IDEA THAT THE CODE SHOULD BE PROCLAIMED ON JUNE 15TH OF 1962 WAS THE INSPIRATION OF A FORMER HONOURABLE MEMBER WHO WAS THE KEY ADVISOR TO THIS HOUSE ON HUMAN RIGHTS, THE LATE MR. ALEX A. MACLEOD.

BOTH MAGNA CARTA AND THE ONTARIO HUMAN RIGHTS CODE ARE CHARTERS OF FREEDOMS AND RIGHTS. OF COURSE, MAGNA CARTA AT FIRST BENEFITED ONLY THE FEUDAL BARONS WHO OBLIGED KING JOHN TO SIGN IT IN 1215. BUT IT WAS THE FIRST TIME THAT THE RIGHTS OF THE KING'S SUBJECTS WERE FORMALIZED AND SET DOWN.

THE CARDINAL PRINCIPLE OF THE INVIOABLE DIGNITY OF EVERY HUMAN BEING ANIMATES THE HUMAN RIGHTS CODE AS IT ANIMATED MR. MACLEOD, WHOSE TRAGIC DEATH IN AN ACCIDENT OCCURRED TWO YEARS AGO. IN THE EARLY DAYS OF HUMAN RIGHTS EDUCATION AND ENFORCEMENT IN THIS PROVINCE, IT WAS MR. MACLEOD WHO LED A SMALL TEAM IN THE WORK OF THE ANTI-DISCRIMINATION COMMISSION AND THEN THE HUMAN RIGHTS COMMISSION. THESE EFFORTS -- AND THE CITIZENS OF ONTARIO MAY DERIVE SATISFACTION IN RECALLING THIS -- RESTED ON A HISTORY OF PROVINCIAL LEGISLATION GOING BACK TO 1944.

IN THAT YEAR, THE RACIAL DISCRIMINATION ACT WAS PASSED, MAKING IT AN OFFENCE TO PUBLISH OR DISPLAY ANY SIGN OR NOTICE EXPRESSING RACIAL OR RELIGIOUS DISCRIMINATION. WHEN FORMER PREMIER GEORGE DREW INTRODUCED THAT BILL, WHILE WORLD WAR II WAS STILL BEING WAGED, HE URGED THAT IT BE REGARDED AS "PART AND PARCEL OF THE VERY FREEDOM WE ARE FIGHTING TO PRESERVE".

MR. SPEAKER, I THINK IT WORTHY OF NOTE THAT THIS ACT CAME INTO FORCE FOUR YEARS BEFORE THE UNIVERSAL DECLARATION OF HUMAN RIGHTS WAS PASSED BY THE UNITED NATIONS AND RATIFIED BY CANADA. FORMER PREMIER LESLIE M. FROST WAS LATER TO EXPRESS THE CONVICTION DERIVED FROM THE UNIVERSAL DECLARATION IN THIS WAY:

"THE FIRST OBLIGATION OF THE PEOPLE OF ONTARIO IS TO MAKE CERTAIN THAT THE PRINCIPLES OF THE DECLARATION ARE FULLY PRACTISED HERE AT HOME. OUR EXAMPLE WILL ALWAYS CARRY GREATER CONVICTION THAN OUR WORD."

THE COURSE THUS EMBARKED UPON IN THE DEFENCE OF THE RIGHTS OF ALL ONTARIO'S CITIZENS WAS CONTINUED IN AMENDMENTS TO THE LABOUR RELATIONS ACT AND THE CONVEYANCING AND LAW OF PROPERTY ACT. IN 1951 CAME THE FAIR EMPLOYMENT PRACTICES ACT, THE FIRST IN CANADA, AND THE FEMALE EMPLOYEES FAIR REMUNERATION ACT. THE DEPARTMENT OF LABOUR BECAME RESPONSIBLE FOR ADMINISTRATION OF THE EMPLOYMENT STATUTE. EQUAL OPPORTUNITY IN EMPLOYMENT IS STILL THE CORNERSTONE OF THE HUMAN RIGHTS CODE AND THE LARGEST NUMBER OF COMPLAINTS RECEIVED BY THE HUMAN RIGHTS COMMISSION ARE STILL IN THE AREA OF EMPLOYMENT.

IN 1954, THE FAIR ACCOMMODATION PRACTICES ACT WAS PASSED; IN 1958 THE ANTI-DISCRIMINATION COMMISSION WAS CREATED AND WAS RE-NAMED THE HUMAN RIGHTS COMMISSION IN 1961. THE SAME YEAR, THE PROCESS WAS BEGUN OF AMALGAMATING ALL THE EXISTING HUMAN RIGHTS LAWS INTO THE HUMAN RIGHTS CODE. ENFORCEMENT AND EDUCATIONAL ACTIVITIES WERE THUS COMBINED IN ONE ENTITY FOR THE FIRST TIME. AT ITS PASSAGE IN 1962, THE CODE WAS SUPPORTED IN PRINCIPLE BY EVERY MEMBER OF THE HOUSE.

IN THE DECADE SINCE, THE HUMAN RIGHTS COMMISSION HAS SOUGHT TO MAKE CANADIANS, AND ONTARIO RESIDENTS IN PARTICULAR, CONSCIOUS OF THE FACT THAT ANYONE WHO DISCRIMINATES, AND ANYONE WHO REGARDS DISCRIMINATION AS SOMETHING NEW, HAS FORGOTTEN THE HISTORY OF HIS OWN COUNTRY AND OF THE MOTHER COUNTRY WHICH GAVE US MAGNA CARTA. MOST OF THE LIBERTIES WE TAKE FOR GRANTED TODAY HAD TO BE SOLICITED AND OBTAINED FROM THE GOVERNMENTAL POWER -- FOR EXAMPLE, THE RIGHT TO PETITION THE CROWN, THE RIGHT TO RELIGIOUS FREEDOM, AND THE RIGHT TO BE REPRESENTED IN PARLIAMENT.

NOW, AS THE COMMISSION BEGINS ITS SECOND DECADE, AS A VITAL PART OF THE MINISTRY OF LABOUR, I CAN ASSURE YOU, MR. SPEAKER, THAT THE GOVERNMENT OF ONTARIO INTENDS TO REMAIN IN THE VANGUARD OF HUMAN RIGHTS LEGISLATION.

THIS GOVERNMENT'S LEGACY IN HUMAN RIGHTS ENFORCEMENT WILL BE MAINTAINED AND RACIAL DISHARMONY WILL NOT BE ALLOWED TO TAKE ROOT, NOR WILL PERSONS SEEKING TO FOMENT DISHARMONY BE TOLERATED IN ONTARIO. THE RIGHTS OF MINORITIES TO PROTECTION FROM DISCRIMINATION, SO THAT THEY MAY MAKE THEIR FULL CONTRIBUTION TO A FLOURISHING COMMUNITY, WILL BE ASSURED.

IN KEEPING WITH THIS PHILOSOPHY, I BELIEVE THERE MUST BE A CONTINUING REVIEW AND STRENGTHENING OF THE HUMAN RIGHTS CODE TO ENSURE ITS RELEVANCY TO THE CONDITIONS OF SOCIETY TODAY. THE ONTARIO HUMAN RIGHTS COMMISSION WILL ALSO BE TAKING NEW INITIATIVES IN THE ENFORCEMENT OF HUMAN RIGHTS AND IN GOVERNMENT PROGRAMS. ONE OF THEIR OBJECTIVES WILL BE TO FURTHER PROTECT THE RIGHTS OF ALL PARTIES INVOLVED IN CASES BEFORE THE COMMISSION.

RESOLVED AS WE ARE TO INITIATE NEW POLICIES TO MEET NEW NEEDS, THE GOVERNMENT IS ONLY TOO WELL AWARE THAT ALL HUMAN RIGHTS LEGISLATION HAS ITS LIMITATIONS, AND THAT INDIVIDUALS HAVE TO TAKE UP THE TASK WHERE LEGISLATIVE ACTION ENDS.

So, Mr. SPEAKER, IT COMES DOWN TO THIS: THAT EACH ONE OF US MUST DO WHAT WE KNOW IS RIGHT AND FAIR. AS WAS STATED IN THE ONTARIO HUMAN RIGHTS COMMISSION JOURNAL, HUMAN RELATIONS, MORE THAN A DECADE AGO:

"WE ARE FORTUNATE TO LIVE IN AN AGE WHEN SCIENCE HAS DISPOSED OF THE MYTH OF RACIAL SUPERIORITY AND HAS THUS COME INTO LINE WITH THE ANCIENT RELIGIOUS DOCTRINE OF THE BROTHERHOOD OF ALL MEN."

Mr. SPEAKER, THE IDEA OF THE BROTHERHOOD OF ALL MEN SHOULD BE EVER-PRESENT IN THE MINDS OF ALL INDIVIDUALS. ONLY WITH THIS ANIMATION WILL OUR HUMAN RIGHTS LEGISLATION IN ONTARIO ACHIEVE THE IDEAL WHICH ALL MEMBERS OF THIS HOUSE DESIRE.

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REMARKS BY
THE HONOURABLE WILLIAM G. DAVIS
PREMIER OF ONTARIO

ONTARIO LEGISLATURE
JUNE 15TH, 1972

THRONE SPEECH
DEBATE WINDUP

MR. SPEAKER, THE THRONE SPEECH DEBATE TRADITIONALLY GIVES MEMBERS ON ALL SIDES OF THE HOUSE AN OPPORTUNITY TO AIR THEIR VIEWS ON JUST ABOUT EVERY CONCEIVABLE MATTER THAT TOUCHES UPON THE LIVES OF THOSE OF US IN THIS CHAMBER AND THE LIVES OF THE PEOPLE WE ARE ELECTED TO REPRESENT.

SOME OF THE MATTERS RAISED ARE OF MUTUAL CONCERN TO EVERY RESIDENT OF ONTARIO. OTHER MATTERS ARE PERHAPS SOMEWHAT REGIONAL IN NATURE, AND THEY, TOO, ARE BROUGHT TO OUR ATTENTION DURING THE THRONE SPEECH DEBATE AND PLACED ON THE RECORD.

I THINK IT IS FAIR TO SAY THAT A READING OF ALL THE CONTRIBUTIONS MADE DURING THE COURSE OF THE THRONE DEBATE PRESENTS A VERY REPRESENTATIVE PICTURE OF THE STATE OF OUR SOCIETY IN THIS PROVINCE, ALONG WITH THE PROBLEMS WE FACE AND MUST OVERCOME AS A GROUP AS WELL AS THOSE PROBLEMS WHICH, WHILE NOT AFFECTING OUR ENTIRE POPULATION, NONETHELESS REQUIRE ATTENTION IN A PARTICULAR AREA OR REGION.

AS I MENTIONED EARLIER, THE THRONE DEBATE IS THE TRADITIONAL FORUM FOR THE EXPRESSION OF ALL THESE VIEWS AND OPINIONS, ESPECIALLY FOR PRIVATE MEMBERS OF ALL PARTIES; BUT IT IS NOT NECESSARILY TRADITIONAL FOR THE LEADER OF THE GOVERNMENT TO PARTICIPATE.

I HAVE CHOSEN TO, MR. SPEAKER, AND FOR A NUMBER OF REASONS.

FIRST, GLANCING THROUGH THE RECORD OF PROCEEDINGS TO DATE, I FIND THAT MY WORDS OCCUPY VERY LITTLE SPACE IN COMPARISON TO THOSE OF CERTAIN OTHER MEMBERS OF THIS CHAMBER -- AND THE URGE IS UPON ME TO MAKE UP FOR LOST GROUND OR, IF YOU WISH, LOST VERBIAGE.

SECOND, I THINK THE MEMBER FOR PEEL NORTH OWES IT TO HIS CONSTITUENTS TO HAVE HIS SAY ON THEIR BEHALF IN THE ADDRESS-IN-REPLY TO THE SPEECH FROM THE THRONE, LEST HE BE ACCUSED OF MAKING LIGHT OF HIS DUTIES.

THIRD, AS LEADER OF THE GOVERNMENT, I BELIEVE I HAVE A RESPONSIBILITY TO A FAR WIDER CONSTITUENCY TO OFFER MY COMMENTS ON SOME OF THE MATTERS THAT HAVE BEEN INTRODUCED AND DEBATED SO FAR DURING THIS SESSION OF THE LEGISLATURE. INDEED, I INTEND TO MAKE SEVERAL OBSERVATIONS DURING THE COURSE OF MY REMARKS CONCERNING MAJOR NEW ONTARIO INITIATIVES IN TWO IMPORTANT AREAS OF POLICY.

I WOULD IMAGINE THAT EVERY MEMBER OF THIS HOUSE, ON THE CONSTITUENCY LEVEL, FINDS THAT THE CONDITION AND DIRECTION OF OUR ECONOMY IS A RECURRING TOPIC OF CONVERSATION OR CORRESPONDENCE WITH BOTH EMPLOYERS AND EMPLOYEES, JUST AS IT IS A RECURRING TOPIC OF DEBATE AND EXAMINATION IN THIS CHAMBER.

ACCORDINGLY, I SHALL BEGIN BY OFFERING A SUMMATION OF CURRENT ECONOMIC CONDITIONS IN THE PROVINCE, PLUS AN OUTLINE OF THE DIRECTION THAT OUR ECONOMIC POLICIES WILL TAKE IN THE FUTURE.

FIRST, MR. SPEAKER, I AM HAPPY TO REPORT THAT THE ONTARIO ECONOMY HAS RECOVERED STEADILY SINCE LATE 1970. REAL GROWTH IN 1971, AFTER DISCOUNTING PRICE INCREASES, IS ESTIMATED AT ABOUT 5.3 PER CENT, COMPARED TO 3.5 PER CENT IN 1970. THIS TREND IS CONTINUING, AND I AM CONFIDENT THAT REAL GROWTH IN ONTARIO THIS YEAR WILL REACH ABOUT 6.3 PER CENT.

THE INTRODUCTION OF CORPORATE TAX INCENTIVES TO THE MANUFACTURING SECTOR BY THE GOVERNMENT OF CANADA -- AS ANNOUNCED IN THIS YEAR'S FEDERAL BUDGET -- IS WELCOMED BY ONTARIO, AND WE HOPE THAT THESE MEASURES WILL, AMONG OTHER THINGS, HELP OFFSET THE IMPACT OF THE UNITED STATES DISC INCENTIVES ON BUSINESSES IN THIS PROVINCE.

I THINK IT SHOULD BE NOTED, HOWEVER, THAT ONTARIO'S FISCAL AND ECONOMIC POLICIES HAVE BEEN CONSISTENTLY TWO STEPS AHEAD OF THOSE OF THE FEDERAL GOVERNMENT. WE THEREFORE WELCOME ANY MEASURES THAT DISTRIBUTE THE COSTS OF STABILIZATION POLICIES MORE EQUITABLY BETWEEN THE FEDERAL AND PROVINCIAL GOVERNMENTS.

THIS YEAR I EXPECT THAT ALL SECTORS OF THE ECONOMY WILL SHARE IN THE GROWTH IN ACTIVITY. HOUSING STARTS -- A MOST IMPORTANT INDICATOR OF ECONOMIC ACTIVITY -- WERE FOR THE FIRST THREE MONTHS OF 1972, WELL ABOVE LAST YEAR'S LEVELS. I ANTICIPATE RETAIL TRADE TO CONTINUE GROWING RAPIDLY AS TAX CUTS, ALONG WITH A SIGNIFICANT RISE IN EMPLOYMENT, LEAD TO HIGHER DISPOSABLE INCOMES FOR THE CITIZENS OF THIS PROVINCE.

IN 1971, GAINS IN RETAIL TRADE WERE MOST PRONOUNCED IN DURABLES SUCH AS MOTOR VEHICLES, AND CANADIAN CONSUMERS IN 1972 WILL PROBABLY BUY MORE THAN ONE MILLION CARS. THIS SURGE IN MOTOR VEHICLE SALES WILL GIVE A SIGNIFICANT BOOST TO ONTARIO'S AUTOMOBILE INDUSTRY AND ALSO TO A WIDE RANGE OF SUPPORTING INDUSTRIES. IN SHORT, I EXPECT THAT THE MANUFACTURING SECTOR WILL BE A STRONG COMPONENT OF THE ONTARIO ECONOMY IN 1972.

I AM ALSO CONFIDENT THAT UNDER THE IMPACT OF ONTARIO'S FISCAL INITIATIVES AND THE NEW FEDERAL INCENTIVES, THE CORPORATE SECTOR WILL GRADUALLY ACCELERATE ITS CAPITAL INVESTMENT PROGRAMS. MANY OF THESE PROGRAMS WERE EITHER SLOWED DOWN OR POSTPONED BECAUSE OF THE UNCERTAIN INTERNATIONAL ECONOMIC CONDITIONS PREVAILING IN 1971. MOST OF THE INCREASED INVESTMENT SPENDING WILL PROBABLY TAKE PLACE TOWARDS THE END OF THE YEAR AS THE ECONOMIC EXPANSION TAKES A FIRM HOLD AND SURPLUS INDUSTRIAL CAPACITY IS REDUCED.

WITH THE RENEWED ECONOMIC ACTIVITY THAT THE PROVINCE IS NOW EXPERIENCING, A SLOW BUT CONTINUOUS DECREASE IN UNEMPLOYMENT SHOULD OCCUR, AND BY YEAR-END THE UNEMPLOYMENT RATE IN ONTARIO SHOULD BE APPROACHING A LITTLE ABOVE 4 PER CENT OF THE WORK FORCE ON A SEASONALLY ADJUSTED BASIS.

IT IS OF SOME CONCERN TO THE ONTARIO GOVERNMENT THAT THE IMPROVEMENT IN THE UNEMPLOYMENT SITUATION IS BEING IMPEDED BY THE RAPID RATE OF GROWTH IN OUR LABOUR FORCE, WHICH IS AMONG THE FASTEST GROWING IN THE WESTERN WORLD. FOR THIS REASON, WE HAVE PRESSED FOR A CONTINUOUS AND VIGOROUS FEDERAL FISCAL POLICY TO STIMULATE GROWTH.

IN THIS REGARD, OUR READINGS OF THE BASIC TRENDS HAVE BEEN BORNE OUT BY RECENT HISTORY. THE FEDERAL GOVERNMENT'S RECENT FISCAL MOVES, ALTHOUGH VERY WELCOME, ARE REALLY NO MORE THAN WE HAVE BEEN ADVOCATING IN PRINCIPLE FOR THE PAST TWO AND A HALF YEARS.

RECENT YEARS - AND RECENT MONTHS - HAVE BROUGHT HOME TO US ALL THE RADICALLY ALTERED NATURE OF THE CHALLENGES AND STRESSES WITH WHICH ALL SECTORS OF OUR ECONOMY ARE NOW BEING CONFRONTED. NEW ASPIRATIONS AT HOME AND DEVELOPMENTS ABROAD TAX OUR ABILITY TO MEET, LET ALONE TRANSCEND, BASIC ECONOMIC OBJECTIVES SUCH AS FULL EMPLOYMENT AND A DECENT STANDARD OF LIVING FOR ALL.

ON THE INTERNATIONAL FRONT, WE FACE A DRAMATIC CHANGE IN OUTLOOK AND PHILOSOPHY BY OUR MAJOR TRADING PARTNERS. THE UNITED STATES HAS ADOPTED A TOUGH NEW BARGAINING STANCE BACKED UP WITH NEW POLICIES WITH PROFOUND IMPLICATIONS FOR CANADA AND FOR ONTARIO.

IN EUROPE, THE ENTRY OF THE UNITED KINGDOM AND OTHERS INTO THE COMMON MARKET AND THEIR CONVERSION TO VALUE-ADDED TAX THREATEN EXISTING TRADING PATTERNS, ALL OF WHICH MUST BE OF CONCERN TO CANADA AND ESPECIALLY TO THIS PROVINCE.

AT HOME, OUR ECONOMY IS STRAINING TO SUSTAIN HEALTHY GROWTH WHILE ABSORBING A GROWING, HIGHLY-TRAINED LABOUR FORCE. NEW AND PRESSING PRIORITIES IN SUCH AREAS AS THE ENVIRONMENT ADD A FURTHER BURDEN AND A FURTHER CHALLENGE.

IF WE ARE TO RETAIN AND IMPROVE OUR COMPETITIVE STATURE INTERNATIONALLY, IF WE ARE TO MEET THE ECONOMIC AND SOCIAL PRIORITIES OF THE PEOPLE OF ONTARIO AND CANADA, I BELIEVE WE MUST BEGIN IMMEDIATELY TO RE-EXAMINE OUR ECONOMIC STRUCTURE AND POLICIES -- NOT IN THE LIGHT OF THE PAST BUT IN THE ANTICIPATION OF THE FUTURE.

IT WAS THIS THEME THAT I ENUNCIATED IN A SPEECH I MADE ON OCTOBER 14 OF LAST YEAR OUTLINING A NEW ECONOMIC STRATEGY FOR ONTARIO. I SHOULD NOTE IN PASSING THAT THE NEED FOR NEW AND COMPREHENSIVE APPROACHES TO ECONOMIC POLICY WAS CORRECTLY FORESEEN BY THE SELECT COMMITTEE ON ECONOMIC AND CULTURAL NATIONALISM IN ITS PRELIMINARY REPORT.

SIMILARLY, THIS THEME HAS PERVADED ONTARIO'S APPROACH TO FEDERAL-PROVINCIAL DISCUSSIONS IN THIS AREA. IN PROPOSALS THAT BOTH I AND THE TREASURER OF ONTARIO HAVE LAID BEFORE FEDERAL-PROVINCIAL MEETINGS DURING THE PAST YEAR, WE HAVE EMPHASIZED THE TWIN NEEDS OF MORE CAREFUL COORDINATION AND INTEGRATION OF ECONOMIC POLICIES, AND FOR JOINT ECONOMIC POLICY FORMULATION BY BOTH FEDERAL AND PROVINCIAL GOVERNMENTS.

THE IMPORTANCE OF THESE PRIORITIES IS WELL DEMONSTRATED BY THE DAMAGING CONSEQUENCES OF THE DISJOINTED AND UNCERTAIN ECONOMIC CLIMATE THAT WAS CREATED BY RECENT FEDERAL POLICIES. ONTARIO CONTINUES TO BE DISHEARTENED BY THE ABSENCE OF A FULL FEDERAL COMMITMENT TO JOINT FORMULATION AND POLICY COORDINATION IN SUCH AREAS AS COMPETITION, TAXATION, FOREIGN OWNERSHIP AND REGIONAL DEVELOPMENT POLICIES.

AT THE SAME TIME, ONTARIO RECOGNIZES THAT IT HAS AN IMPORTANT ROLE AND RESPONSIBILITY TO DISCHARGE, NOT ONLY THROUGH ITS OWN POLICIES, BUT IN MAKING CONSTRUCTIVE SUGGESTIONS THAT MAY LEAD TO FEDERAL ACTION.

SO, TO GIVE MORE CONCRETE FORM TO THIS TASK, I AM NOW ANNOUNCING A NEW INITIATIVE IN ECONOMIC POLICY DEVELOPMENT FOR ONTARIO:

MR. SPEAKER, THE GOVERNMENT IS ESTABLISHING A JOINT COMMITTEE ON ECONOMIC POLICY TO BRING TOGETHER THE TALENTS, EXPERIENCE, AND RESEARCH CAPACITIES OF BUSINESS, LABOUR AND GOVERNMENT TO DEVELOP A MORE COHESIVE AND COORDINATED SET OF POLICIES AND PROGRAMS TO MAXIMIZE ECONOMIC GROWTH AND EMPLOYMENT OPPORTUNITIES IN ONTARIO.

IN TERMS OF POLICY PROPOSALS THE WORK OF THE JOINT COMMITTEE WILL BE SCHEDULED IN THREE MAIN PHASES:

FIRST PREPARATION OF A POSITION PAPER AND STATUS REPORT ON THE ONTARIO ECONOMY AND DIRECTIONS FOR THE FUTURE. THIS FIRST PHASE WOULD LAY THE GROUND WORK FOR POLICY ANALYSIS AND POLICY DEVELOPMENT.

SECOND PREPARATION OF A STATEMENT OF SUGGESTED PRIORITIES AND OBJECTIVES, TO SPECIFY FEASIBLE GOALS AND OBJECTIVES AND INDICATE ECONOMIC POLICY PRIORITIES FOR ONTARIO.

THIRD REPORTS AND RECOMMENDATIONS TO THE GOVERNMENT ON POLICY DESIGN AND INTEGRATION. THIS WOULD INCLUDE DETAILED RECOMMENDATIONS IN SPECIFIC POLICY AREAS, AND PROVIDE THE STRUCTURE OF A COMPREHENSIVE POLICY APPROACH.

THE JOINT COMMITTEE ON ECONOMIC POLICY WILL CONSIST OF TWO GROUPS -- THE ECONOMIC STUDIES STEERING COMMITTEE AND THE PREMIER'S ADVISORY COMMITTEE ON ECONOMIC POLICY.

LET ME DEAL FIRST WITH THE ECONOMIC STUDIES STEERING COMMITTEE. UNDER THE CHAIRMANSHIP OF MR. IAN MACDONALD, DEPUTY TREASURER OF ONTARIO AND DEPUTY MINISTER OF ECONOMICS AND INTERGOVERNMENTAL AFFAIRS, IT WILL CONSIST OF SENIOR ONTARIO GOVERNMENT OFFICIALS WITH POLICY RESPONSIBILITIES WHO WILL COORDINATE AND DIRECT IN-DEPTH POLICY ANALYSIS IN FIVE KEY AREAS:

THE FIRST AREA IS MANPOWER POTENTIAL AND MANPOWER POLICY. THE MEASURE OF SUCCESS OF ANY ECONOMIC STRATEGY MUST BE THE BENEFITS IT YIELDS TO PEOPLE. MORE EFFECTIVE EMPLOYMENT OF HUMAN RESOURCES AND THE PROVISION OF JOBS -- JOBS THAT ARE REMUNERATIVE, CONTINUOUS AND PERSONALLY SATISFYING -- ARE BASIC GOALS OF OUR ECONOMIC POLICY. THE MANPOWER WORKING GROUP WILL FOCUS ON A NUMBER OF SPECIFIC PROBLEM AREAS.

ONTARIO AND CANADA HAVE A SUBSTANTIAL INVESTMENT IN THE HEALTH AND EDUCATION OF OUR PEOPLE. AT THE SAME TIME THERE IS CONCERN THAT OUR DEVELOPMENT OF MANPOWER IS OUT OF PHASE WITH THE DEVELOPMENT OF OUR ECONOMY. AS RECENT HIGH LEVELS OF UNEMPLOYMENT HAVE INDICATED, THERE ARE DEFICIENCIES IN THE PROCESSES OF EMPLOYMENT AND DEPLOYMENT OF MANPOWER RESOURCES. THESE ARE SOME OF THE BROAD PROBLEMS THAT THE WORKING GROUP ON MANPOWER POLICY WILL EXAMINE.

A SECOND KEY AREA IS THE STRUCTURE OF THE ONTARIO ECONOMY BY SECTOR AND REGION. A MAJOR PART OF THE EFFORT TO INCREASE ONTARIO'S INDUSTRIAL AND ECONOMIC PROSPECTS THROUGH MORE PRODUCTIVITY MUST FOCUS ON THE MAKE-UP OF INDUSTRIAL ORGANIZATION IN THIS PROVINCE. WELL-INTEGRATED POLICY ANALYSIS IS REQUIRED IN SEVERAL RELATED AREAS.

A FIRST PROBLEM IS THE QUESTION OF SCALE AND SPECIALIZATION IN THE ONTARIO AND CANADIAN ECONOMIES. THERE ARE CONTINUING INDICATIONS THAT ONTARIO INDUSTRIES HAVE BEEN ENCOURAGED BY PUBLIC POLICY TO DEVELOP ON SCALES THAT ARE SMALL BY INTERNATIONAL STANDARDS. THERE IS A NEED TO RE-EXAMINE OUR PRIORITIES IN THIS AREA. THERE IS A NEED TO ENSURE EFFECTIVE DOMESTIC COMPETITION IN THE CONTEXT OF ECONOMIC SECTORS THAT ARE INTERNATIONALLY COMPETITIVE.

THERE IS THE QUESTION OF THE RELATIONSHIP BETWEEN THE BALANCE OF THE VARIOUS SECTORS WITHIN THE INDUSTRIAL STRUCTURE AND THE ACHIEVEMENT OF ECONOMIC AND SOCIAL GOALS. WHAT MIX OF PRIMARY RESOURCES, MANUFACTURING INDUSTRIES AND THE SERVICE SECTOR WILL LEAD TO HIGHER PERFORMANCE TOWARDS THESE GOALS, INCLUDING THE FULL DEVELOPMENT OF ALL REGIONS IN ONTARIO?

WHAT KINDS OF INDUSTRIAL ACTIVITY WILL MOST PRODUCTIVELY EMPLOY A RAPIDLY GROWING LABOUR FORCE? WHAT REGIONAL STRATEGY WILL MOST EFFECTIVELY RECONCILE ECONOMIC FORCES WITH OTHER POLICY GOALS? WHAT DEGREE OF CANADIAN OWNERSHIP, PARTICIPATION AND CONTROL OF THE ECONOMY WILL BEST ACHIEVE OUR OBJECTIVES? THESE AND OTHER QUESTIONS WILL BE THE CONCERN OF THE WORKING GROUP EXAMINING THIS PARTICULAR AREA.

A THIRD AREA IS THAT OF CAPITAL NEEDS AND CAPITAL MARKETS. THE CAPITAL MARKET WORKING GROUP OF THE JOINT COMMITTEE ON ECONOMIC POLICY WILL BE IDENTIFYING FOR REVIEW PROBLEMS OF CAPITAL NEEDS AND AVAILABILITY IN ONTARIO, AS WELL AS MEANS THAT WILL ASSURE THE MOST EFFECTIVE CHANNELLING OF CANADIAN SAVINGS INTO CANADIAN ENTERPRISES. MEANS WILL ALSO BE SOUGHT TO IMPROVE THE PERFORMANCE OF ALL SECTORS OF THE FINANCIAL INDUSTRY.

A FOURTH KEY POLICY AREA IS THAT OF TECHNOLOGY, MANAGEMENT AND MARKETING. THE QUALITY OF LABOUR AND CAPITAL, AND THE EFFECTIVENESS WITH WHICH THEY ARE MOBILIZED, PLAY A MAJOR PART IN DETERMINING ECONOMIC PERFORMANCE. TECHNOLOGY, MANAGEMENT AND MARKETING ARE THEREFORE IDENTIFIED AS AREAS REQUIRING MORE SUBSTANTIAL POLICY ATTENTION. THERE IS CONCERN THAT THESE FUNCTIONS HAVE YET TO BE FULLY DEVELOPED IN ONTARIO AND CANADA.

TO A NOTICABLE EXTENT, CANADA'S TECHNOLOGICAL AND MANAGERIAL REQUIREMENTS ARE IMPORTED, AND AT A SIGNIFICANT COST WHICH IS REFLECTED IN ANNUAL PAYMENTS OF DIVIDENDS, ROYALTIES AND LICENSES AND MANAGEMENT FEES. THE ONTARIO GOVERNMENT IS COMMITTED TO EXPLORING WAYS TO DECREASE OUR RELIANCE ON FOREIGN SOURCES OF MANAGEMENT AND TECHNOLOGY, AT THE SAME TIME INCREASING ONTARIO AND CANADIAN TECHNOLOGICAL AND MANAGERIAL STRENGTH.

MARKETING PROFICIENCY IS A KEY FACTOR IN HIGH RETURN INVESTMENT DECISIONS AND IN THE ALLOCATION OF FUNDS FOR WORTH-WHILE RESEARCH AND DEVELOPMENT. IN TERMS OF ACCESS TO FOREIGN MARKETS, WEAK MARKETING ABILITY CAN BE AS EFFECTIVE A BARRIER AS TARIFFS AND QUOTAS. EVEN THOUGH CANADA IS A MAJOR EXPORTER, ITS MARKETING AND MARKET RESEARCH CAPACITY APPEAR UNDERDEVELOPED, PARTICULARLY IN COMPARISON WITH MAJOR INDUSTRIAL COMPETITORS SUCH AS GERMANY, JAPAN AND THE UNITED STATES. THE DEVELOPMENT OF EFFECTIVE ECONOMIC POLICY REQUIRES THAT MORE DIRECT ATTENTION BE GIVEN TO THESE CONSIDERATIONS.

A FIFTH AND FINAL MAJOR AREA OF POLICY CONCERN IS ONTARIO, CANADA AND THE WORLD ECONOMY.

THE EFFECTIVE FORMULATION OF ECONOMIC POLICY REQUIRES CONSIDERATION OF THE CHANGING CONTEXT OF CANADA'S INTERRELATIONSHIPS WITH THE WORLD ECONOMY. IN THIS ERA OF LARGE TRADING PARTNERS AND LARGE TRADING BLOCS IT IS NO LONGER FEASIBLE TO PROMOTE EFFICIENT INDUSTRIAL DEVELOPMENT BY MEANS OF TARIFF PROTECTION.

OTHER OPTIONS MUST BE EXPLORED SUCH AS SPECIFIED TRADE ARRANGEMENTS WITH MAJOR MARKET AREAS, PRODUCT SPECIALIZATION, STRENGTHENING OF MARKETING CAPABILITY, MULTILATERAL MARKET ACCESS ARRANGEMENTS, AND EXCHANGE RATE ADJUSTMENT.

ANOTHER EQUALLY IMPORTANT MATTER IS THE ROLE OF THE MULTINATIONAL FIRM - BOTH FOREIGN AND CANADIAN BASED - IN THE CANADIAN ECONOMY. THE HIGH LEVEL OF FOREIGN OWNERSHIP IN CANADIAN INDUSTRY AND THE GROWING SIGNIFICANCE OF CANADIAN FIRMS WITH OPERATIONS ABROAD GIVES A DIFFERENT INSTITUTIONAL CHARACTER TO CANADA'S INTERNATIONAL ECONOMIC AFFAIRS THAN THAT ASSOCIATED WITH CONVENTIONAL INTERNATIONAL TRADE AND CAPITAL TRANSACTIONS. THE NEW CHARACTER OF ALL THESE CONSIDERATIONS AND THE NEW ECONOMIC ENVIRONMENT IN WHICH WE FIND OURSELVES MUST BE CAREFULLY EXAMINED AS AN ESSENTIAL BASIS FOR EFFECTIVE POLICY DESIGN.

IT IS APPARENT THAT ALL THESE FIVE KEY POLICY AREAS ARE VERY CLOSELY INTERRELATED. IT WILL BE A MAJOR MISSION OF THE JOINT COMMITTEE ON ECONOMIC POLICY TO ACHIEVE THE MAXIMUM IN COORDINATION AND INTEGRATION IN POLICY ANALYSIS AND DEVELOPMENT ACROSS ALL THESE AREAS. THE TASK OF COORDINATION AND INTEGRATION WILL NOT BE EASY. IT WILL CHALLENGE AND TAX OUR SKILLS AND EXPERTISE. I CAN ONLY SAY THAT IT IS A CHALLENGE WHICH THE ONTARIO GOVERNMENT WILLINGLY TAKES UP.

AS I MENTIONED EARLIER, THE SECOND GROUP WITHIN THE JOINT COMMITTEE ON ECONOMIC POLICY WILL BE THE PREMIER'S ADVISORY COMMITTEE ON ECONOMIC POLICY. THE ADVISORY COMMITTEE WILL CONSIST OF THE FOLLOWING DISTINGUISHED REPRESENTATIVES OF BUSINESS, LABOUR AND THE PRIVATE SECTOR: DAVID B. ARCHER, ROY F. BENNETT, ROBERT JOHN BUTLER, HAROLD CORRIGAN, JOHN B. CRONYN, JOHN S. DINNICK, NEIL J. MCKINNON, GRANT L. REUBER, AND DONALD G. WILMOT. IT WILL ADVISE ME DIRECTLY ON COMPREHENSIVE ECONOMIC POLICY DEVELOPMENT. IT WILL WORK CLOSELY WITH THE ECONOMIC STUDIES STEERING COMMITTEE TO REVIEW THE PROGRESS OF ANALYTICAL STUDIES AND POLICY PROPOSALS. IT WILL PROVIDE A SOUNDING BOARD FOR PRIVATE SECTOR RESPONSE TO PROVINCIAL ECONOMIC POLICY DEVELOPMENT. IT WILL ALSO STRENGTHEN THE RESEARCH AND POLICY DEVELOPMENT CAPACITIES OF THE STEERING COMMITTEE BY PROVIDING ACCESS TO THE INFORMATION AND OPINIONS THAT EMANATE IN THE PRIVATE SECTOR.

I WOULD LIKE TO EMPHASIZE THE IMPORTANCE THE ONTARIO GOVERNMENT ATTACHES TO THE PARTICIPATION OF PRIVATE SECTOR REPRESENTATIVES IN THIS PROCESS. THE GOVERNMENT IS LOOKING TO THIS PARTNERSHIP WITH BUSINESS AND LABOUR TO PRODUCE A COMPREHENSIVE ECONOMIC POLICY DESIGNED TO BENEFIT ALL FACETS OF ONTARIO SOCIETY. I AM CONFIDENT THAT IT WILL MAKE A SIGNIFICANT CONTRIBUTION TO THE ROLE ONTARIO WILL PLAY IN FORGING A JOINT ECONOMIC POLICY WITH THE FEDERAL GOVERNMENT AND THE OTHER PROVINCES.

I SHOULD ALSO MAKE REFERENCE TO THE ROLE THE ONTARIO ECONOMIC COUNCIL IN THIS PROCESS. THE GOVERNMENT AND THE PEOPLE OF ONTARIO CONTINUE TO BE EXCEEDINGLY WELL SERVED BY THE WORK OF THE ONTARIO ECONOMIC COUNCIL AND THE TIME AND CAREFUL ATTENTION DEVOTED TO PUBLIC SERVICE BY THE MEMBERS OF THE COUNCIL.

THE GOVERNMENT WILL CONTINUE TO LOOK TO THE ECONOMIC COUNCIL FOR REVIEW AND COMMENTARY ON BROAD QUESTIONS OF ECONOMIC AND SOCIAL POLICY IN ONTARIO. WHILE THE ONTARIO ECONOMIC COUNCIL HAS NOT BEEN ESTABLISHED FOR QUITE THE SAME KIND OF SYSTEMATIC AND COMPREHENSIVE INVOLVEMENT IN THE DEVELOPMENT OF GOVERNMENT POLICIES AS WILL BE THE JOINT COMMITTEE ON ECONOMIC POLICY, WE WILL BE LOOKING TO THE STAFF AND MEMBERS OF THE ECONOMIC COUNCIL TO MAKE CONTINUOUS CONTRIBUTIONS TO THE WORK OF THE JOINT COMMITTEE. INDEED, I SHOULD POINT OUT THAT A MEMBER OF THE ECONOMIC COUNCIL WILL SERVE ON THE PREMIER'S ADVISORY COMMITTEE.

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AND NOW, MR. SPEAKER, THERE IS A SECOND AREA WHERE I WOULD LIKE TO ANNOUNCE NEW ONTARIO INITIATIVES AND THAT IS IN THE AREA OF ECONOMIC AND CULTURAL NATIONALISM.

IN BOTH WORDS AND ACTION THE ONTARIO GOVERNMENT HAS DEMONSTRATED ITS CONCERN ABOUT THE IMPLICATIONS OF WIDESPREAD FOREIGN INVESTMENT IN CANADIAN INDUSTRY. WE HAVE LAUNCHED DETAILED STUDIES OF IMPORTANT QUESTIONS OF ECONOMIC AND CULTURAL NATIONALISM IN CANADA.

THE ONTARIO CONFERENCE ON ECONOMIC AND CULTURAL NATIONALISM, THE INTERDEPARTMENTAL TASK FORCE ON FOREIGN INVESTMENT, THE SELECT COMMITTEE ON ECONOMIC AND CULTURAL NATIONALISM, THE ROYAL COMMISSION ON BOOK PUBLISHING AND THE ONTARIO SECURITIES COMMISSION HAVE ALL MADE A SUBSTANTIAL CONTRIBUTION TO THE CONTINUING DEVELOPMENT FOR ONTARIO AND INDEED FOR CANADA. MY COLLEAGUES AND I HAVE ON NUMEROUS OCCASIONS ARTICULATED OUR COMMITMENT TO A POLICY OF POSITIVE ECONOMIC AND CULTURAL NATIONALISM IN FIVE FUNDAMENTAL ELEMENTS THAT WE FEEL SHOULD BE INCLUDED IN A CANADIAN FOREIGN INVESTMENT POLICY:

1. THERE SHOULD BE MORE PROMINENT
CANADIAN PARTICIPATION IN NEW
ENTERPRISES;
2. CANADIANS SHOULD BE DOMINANT ON
THE BOARDS OF DIRECTORS OF
SUBSIDIARY FIRMS IN CANADA;
3. MEANS SHOULD BE FOUND TO INCREASE
CANADIAN EQUITY PARTICIPATION IN
ALL CANADIAN-BASED ENTERPRISES;
4. WE SHOULD ENCOURAGE PORTFOLIO
RATHER THAN EQUITY INVESTMENT FROM
FOREIGN SOURCES;
5. CLEAR GUIDELINES SHOULD APPLY TO
THE PERFORMANCE OF FOREIGN INDUSTRY
AND UNIONS IN CANADA

THIS COMMITMENT HAS ALREADY BEEN TRANSLATED INTO ACTION IN A NUMBER OF AREAS WHERE THE PROVINCE HAS JURISDICTION. I AM REFERRING, FOR EXAMPLE, TO THE KEY SECTORS OF INVESTMENT AND NATURAL RESOURCE PROCESSING, THE IMPORTANT AND SENSITIVE AREA OF BOOK PUBLISHING AND DISTRIBUTION, AND THE BROADENING OF OPPORTUNITIES FOR CANADIANS TO PARTICIPATE IN THE ECONOMY THROUGH TAX RELIEF AND INCENTIVE PROGRAMS. AS PART OF THIS CONTINUING PROCESS I AM PLEASED TO ANNOUNCE FURTHER ACTION THAT ONTARIO IS TAKING IN RESPONSE TO THE RECOMMENDATIONS OF THE SELECT COMMITTEE ON ECONOMIC AND CULTURAL NATIONALISM.

IN ITS PRELIMINARY REPORT THE SELECT COMMITTEE RECOMMENDED THAT CANADIAN PARTICIPATION ON BOARDS OF DIRECTORS OF COMPANIES WITHIN ONTARIO'S JURISDICTION SHOULD BE INCREASED. THIS IS IN LINE WITH WHAT I BELIEVE TO BE THE ESSENTIALS OF A SOUND FOREIGN INVESTMENT POLICY. CANADIANS SHOULD BE DOMINANT ON THE BOARDS OF DIRECTORS OF SUBSIDIARY FIRMS IN CANADA. ACCORDINGLY, THE GOVERNMENT WILL BE ANNOUNCING MEASURES TO ENSURE THAT A MAJORITY OF BOARDS OF DIRECTORS OF ALL FIRMS WITHIN ONTARIO'S JURISDICTION ARE CANADIAN CITIZENS ORDINARILY RESIDENT IN CANADA.

INDEED, LATER TODAY MY COLLEAGUE, THE MINISTER OF CONSUMER AND COMMERCIAL RELATIONS WILL BE INTRODUCING LEGISLATION TO IMPLEMENT THIS POLICY.

THE SELECT COMMITTEE FURTHER RECOMMENDED THAT AN INVESTMENT CAPITAL INFORMATION SERVICE BE ESTABLISHED TO LIST AVAILABLE SOURCES OF INVESTMENT CAPITAL FOR SMALL AND MEDIUM-SIZED COMPANIES AND CANADIAN ENTREPRENEURS. AS I HAVE INDICATED, IT IS OUR VIEW THAT MEANS SHOULD BE FOUND TO INCREASE CANADIAN EQUITY PARTICIPATION IN CANADIAN-BASED FIRMS, AND SO, THE ONTARIO GOVERNMENT ENDORSES THIS RECOMMENDATION. THE MINISTRY OF INDUSTRY AND TOURISM HAS BEEN ASKED TO ESTABLISH AN INVESTMENT CAPITAL INFORMATION SERVICE TO BE AVAILABLE TO ALL RESIDENTS AND COMPANIES IN ONTARIO.

AS ONTARIO HAS EMPHASIZED TIME AND AGAIN, IT IS IMPERATIVE THAT THE FEDERAL AND PROVINCIAL GOVERNMENTS CO-OPERATE IN ECONOMIC POLICY DEVELOPMENT AND IMPLEMENTATION. NO WHERE CAN A MORE DRAMATIC EXAMPLE BE FOUND THAN IN THE AREA OF FOREIGN INVESTMENT IN THE CANADIAN ECONOMY. OTTAWA HAS ONLY JUST ANNOUNCED ITS TAKEOVER REVIEW POLICY AND PUBLISHED ITS BACKGROUND STUDY. AS I INDICATED IN THE LEGISLATURE ON MAY 4, THE FEDERAL POLICY IN MY VIEW FALLS WELL SHORT OF CANADA'S NEEDS. WE ARE CAREFULLY EXAMINING BOTH THE POLICY AND THE STUDY.

ONTARIO IS VERY CONCERNED AT STATEMENTS BY THE PRIME MINISTER OF CANADA TO THE EFFECT THAT EACH PROVINCE SHOULD IMPLEMENT ITS OWN POLICY ON FOREIGN INVESTMENT FLOWS. ASIDE FROM THE QUESTION OF WHAT THE PRIME MINISTER MEANS, ONTARIO DOES NOT CONSIDER THIS TO BE A RESPONSIBLE APPROACH TO POLICY DEVELOPMENT IN THIS AREA. WE KNOW THAT THERE ARE IMPORTANT AREAS OF PROVINCIAL JURISDICTION. WE HAVE ALREADY ACTED IN SOME AND ARE PREPARED FOR FURTHER MEASURES WHEN APPROPRIATE.

WE ALSO KNOW THERE IS A NEED FOR A NATIONAL POLICY AND FEDERAL LEADERSHIP TO DEAL WITH THE ECONOMIC AND CULTURAL IMPLICATIONS OF FOREIGN INVESTMENT IN CANADIAN INDUSTRY. THIS HAS BEEN A CONSISTENT THEME IN ONTARIO'S APPROACH TO FOREIGN INVESTMENT. ONTARIO HOPES THAT THE RECENTLY ANNOUNCED FEDERAL POLICY IS ONLY A FIRST STEP - THAT BEFORE TOO LONG WE WILL HAVE A CLEAR NATIONAL POLICY.

MEANWHILE, THE GOVERNMENT WILL BE ASKING THE LEGISLATURE TO RECONVENE THE SELECT COMMITTEE ON ECONOMIC AND CULTURAL NATIONALISM AS SOON AS POSSIBLE TO EXAMINE THE FEDERAL FOREIGN TAKEOVERS REVIEW ACT, THE BACKGROUND STUDY TITLED "FOREIGN DIRECT INVESTMENT IN CANADA", AND THE IMPLICATIONS FOR ONTARIO.

I ANTICIPATE THE SELECT COMMITTEE WILL CONTINUE ITS WORK IN SOLICITING AND HEARING BRIEFS AND PRESENTATIONS FROM MEMBERS OF THE PUBLIC.

IN ITS PROGRAM OF WORK I ALSO HOPE THE SELECT COMMITTEE WILL EXAMINE THE PRACTICE AND EXPERIENCE OF OTHER JURISDICTIONS WITH RESPECT TO FOREIGN INVESTMENT AND THE MULTINATIONAL FIRM. THE EXPERIENCE AND APPROACH OF OTHER COUNTRIES TO THESE COMPLEX MATTERS AND THE WIDESPREAD PHENOMENON OF THE MULTINATIONAL FIRM CAN IN OUR VIEW CONTRIBUTE MUCH TO THE DEVELOPMENT OF POLICY IN CANADA.

IT MUST NOT BE FORGOTTEN THAT CULTURAL NATIONALISM IS AN IMPORTANT PART OF THE SELECT COMMITTEE'S TERMS OF REFERENCE. WE ARE ANXIOUS THAT THE SELECT COMMITTEE BROADEN ITS ENQUIRIES TO INCLUDE AN EXAMINATION OF THE EXTENT AND IMPLICATIONS OF NON-RESIDENT CONTROL OF ESSENTIAL CULTURAL PROCESSES IN CANADA AND ONTARIO.

THE FINAL REPORT OF THE ROYAL COMMISSION ON BOOK PUBLISHING IS EXPECTED IN THE NEAR FUTURE. WE WILL BE ASKING THE SELECT COMMITTEE ON ECONOMIC AND CULTURAL NATIONALISM TO COMMENT ON THE ROYAL COMMISSION'S RECOMMENDATIONS. IN THE BROADER CONTEXT OF CULTURAL NATIONALISM WE WILL BE PROPOSING NEW TERMS OF REFERENCE FOR THE COMMITTEE.

THE GOVERNMENT WILL RECOMMEND THAT THE SELECT COMMITTEE BE ASKED TO STUDY THE IMPACT OF FOREIGN INFLUENCE ON THE BROAD RANGE OF ONTARIO'S CULTURAL LIFE, TO INCLUDE CONSIDERATION OF BOTH CLASSICAL CULTURE AND THE MORE POPULAR MANIFESTATIONS AND TO ESTABLISH THEIR RESPECTIVE IMPORTANCE IN ANY POLICIES PROMOTING CULTURAL NATIONALISM.

WE HOPE THE SELECT COMMITTEE'S STUDY WILL FOCUS ON SUCH IMPORTANT ISSUES AS THE PROBLEM OF MAINTAINING FULL ACCESS TO THE GREAT CULTURAL TRADITIONS OF THE WORLD WITHOUT SUPPRESSING OR HOMOGENIZING CANADIAN CREATIVE EXPRESSION, THE PROMOTION OF ACCESSIBILITY TO CULTURAL FACILITIES FOR THE VARIOUS REGIONS OF THE PROVINCE AND THE PROPER BALANCE OF SUPPORT BETWEEN CREATIVE AND PERFORMING ARTISTS.

WE HOPE THE SELECT COMMITTEE WILL ALSO DIRECT ITS ATTENTION TO THE BROAD AREA OF CULTURE AS "LIFE STYLE" TO IDENTIFY THE RANGE OF SOCIAL ACTIVITIES WHICH MAY BE DEFINED AS BROADLY CULTURAL IN NATURE AND SUSCEPTIBLE TO INFLUENCE FROM OUTSIDE CANADA.

AS A SECOND MAIN AREA OF CONCERN, WE WILL BE ASKING THE SELECT COMMITTEE TO MAKE RECOMMENDATIONS CONCERNING APPROPRIATE ACTION IN SUPPORT OF THE CULTURAL LIFE OF ONTARIO WITH PARTICULAR REFERENCE TO A ROLE WHICH MIGHT BE PLAYED BY THE PROVINCIAL GOVERNMENT.

WE ANTICIPATE THE SELECT COMMITTEE WILL CONSIDER THE BROAD RANGE OF GOVERNMENT OPTIONS IN THIS AREA INCLUDING THE SPONSORSHIP OF PROMOTIONAL ACTIVITIES TO CREATE A GREATER AWARENESS OF -- AND COMMERCIAL VIABILITY FOR -- CANADIAN CREATIVE WORK AND DIRECT FINANCIAL ASSISTANCE TO CULTURAL ACTIVITY IN ONTARIO.

FINALLY, THE GOVERNMENT LOOKS FORWARD WITH ANTICIPATION TO AN EARLY REPORT BY THE SELECT COMMITTEE ON THE MATTERS REFERRED TO IT. THE GOVERNMENT IS CONSIDERING THE DESIRABILITY OF PROCEEDING WITH OTHER RECOMMENDATIONS THE SELECT COMMITTEE MADE IN ITS PRELIMINARY REPORT IN THE LIGHT OF ONTARIO PRIORITIES AND FEDERAL POLICY.

OF THESE RECOMMENDATIONS THAT ARE UNDER CONSIDERATION, I SHOULD MENTION PARTICULARLY THE RECOMMENDATION THAT ONTARIO ESTABLISH A REGISTER OF FOREIGN TAKEOVERS. THIS HAS ALREADY BEEN PROVIDED FOR IN PART IN THE FOREIGN TAKEOVERS REVIEW ACT AND BLANKET REGISTRATION WAS A PROVISION OF THE PROPOSED COMPETITION ACT NOW UNDER REVIEW. THE GOVERNMENT IS ALSO EXAMINING THE QUESTION OF NON-RESIDENT OWNERSHIP OF LAND POSED BY THE SELECT COMMITTEE, AND IS RE-EXAMINING INCENTIVE PROGRAMS FOR BOTH FOREIGN-BASED AND CANADIAN-OWNED FIRMS.

IN ANNOUNCING TO YOU TODAY THE GOVERNMENT'S CONTINUED EFFORTS IN THE TWIN AREAS OF ECONOMIC POLICY AND ECONOMIC AND CULTURAL NATIONALISM, I AM DEMONSTRATING OUR CONCERN THAT THE PROVINCES - AND ONTARIO IN PARTICULAR - PLAY A USEFUL ROLE IN THE CANADIAN FEDERATION, AND IN CANADIAN POLICY DEVELOPMENT. THE JOINT GOVERNMENT-PRIVATE SECTOR COMMITTEE ON ECONOMIC POLICY WILL MOVE US FORWARD TO THAT END. THE WORK OF THE SELECT COMMITTEE WILL CONTINUE TO ADVANCE OUR KNOWLEDGE AND SHARPEN OUR RESPONSES TO IMPORTANT QUESTIONS OF ECONOMIC AND CULTURAL NATIONALISM. IN COMBINATION WITH WHAT WE HOPE WILL BE MORE EFFECTIVE CO-OPERATION BETWEEN THE FEDERAL AND PROVINCIAL JURISDICTIONS, WE LOOK FORWARD TO A CHALLENGING AND PRODUCTIVE PERIOD IN CANADIAN POLICY DEVELOPMENT ON THESE URGENT ISSUES.

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MR. SPEAKER, ALMOST A YEAR AGO, ON JULY 7TH, 1971, TO BE EXACT, I MADE A STATEMENT IN THE LEGISLATURE ON BEHALF OF THE GOVERNMENT WITH REGARD TO OUR POSITION ON THE SUBJECT OF OFF-TRACK BETTING.

AT THAT TIME, I INFORMED HONOURABLE MEMBERS THAT THE FEDERAL MINISTER OF JUSTICE HAD WRITTEN TO THE PROVINCIAL ATTORNEY GENERAL INVITING ONTARIO'S VIEW IN RELATION TO AN AMENDMENT TO THE CRIMINAL CODE OF CANADA WHICH WOULD ALLOW THE PROVINCES, IF THEY SO DESIRED, TO LICENSE, OPERATE AND REGULATE OFF-TRACK BETTING ACTIVITIES. ON JUNE 8TH, 1971, THE ATTORNEY GENERAL REPLIED ON BEHALF OF THIS GOVERNMENT STATING THAT WE WOULD FAVOUR SUCH AN AMENDMENT.

I MADE IT CLEAR, FURTHERMORE, THAT WE, AS A GOVERNMENT, WERE CONVINCED THAT THE EXISTING SITUATION IN THIS REGARD WAS NOT AT ALL SATISFACTORY, THAT THE PUBLIC INTEREST WAS NOT BEING PROPERLY SERVED, AND THE RACING INDUSTRY, INCLUDING ALL ITS VARIOUS INTERESTS, FULLY SHARED OUR OPINION AND OUR CONCERN.

I REGRET TO SAY, MR. SPEAKER, THAT THE GOVERNMENT OF CANADA HAS NOT TAKEN ANY INITIATIVE IN THE INTERVENING MONTHS AND LEGISLATION HAS NOT BEEN INTRODUCED IN PARLIAMENT TO AMEND THE CRIMINAL CODE. WHILE ONTARIO REGRETS THIS FACT AND WISHES IT WERE OTHERWISE, THE FACT REMAINS THAT NOTHING HAS BEEN DONE AND, SO FAR AS I KNOW, THE INDICATIONS ARE THAT NOTHING WILL BE DONE AT LEAST UNTIL AFTER THE NEXT ELECTION, WHENEVER THAT MAY BE.

THE LACK OF FEDERAL ACTION HAS BEEN, AND CONTINUES TO BE, COSTLY TO THE PEOPLE OF ONTARIO. IT HAS PREVENTED US FROM ESTABLISHING A PROPERLY CONTROLLED OFF-TRACK BETTING SYSTEM AND, AS A RESULT, HAS DEPRIVED THE GOVERNMENT OF REVENUES FROM SUCH A FACILITY. IN ADDITION, THE PROVINCIAL TAXPAYER HAS HAD TO BEAR THE INCREASING COST OF THE PRESENT EFFORTS OF PROVINCIAL COURTS AND LAW ENFORCEMENT AGENCIES IN THEIR EFFORTS TO POLICE THE PRESENT OFF-TRACK WAGERING OUTLETS AND TO ENSURE, AS BEST THEY CAN, THAT THESE OPERATE WITHIN THE LAW.

ALL IN ALL, MR. SPEAKER, IT HAS BEEN A COSTLY DELAY.

HONOURABLE MEMBERS ARE AWARE THAT AN INTER-DEPARTMENTAL TASK FORCE HAS BEEN AT WORK, PREPARING ITS REPORT WITH RESPECT TO VARIOUS SYSTEMS, METHODS AND PROCEDURES INVOLVED IN THE CONSIDERATION OF ESTABLISHING GOVERNMENT-CONTROLLED AND ADMINISTERED OFF-TRACK BETTING. THE TASK FORCE HAS COMPLETED ITS INITIAL WORK AND I AM DISTRIBUTING THE REPORT TO THE MEMBERS OF THE HOUSE TODAY. BECAUSE OF THE COMPLEXITY OF SUCH AN UNDERTAKING, BECAUSE WE WOULD NATURALLY WANT TO PROVIDE THE BEST, SUREST, AND SAFEST SYSTEM IN THE INTEREST OF ALL CONCERNED, AND BECAUSE THE ESTABLISHMENT OF SUCH A GOVERNMENT BOARD OR COMMISSION WOULD INVOLVE A GOOD DEAL OF PLANNING, IT IS OUR INTENTION TO CONTINUE OUR PREPARATIONS IN THE CONFIDENCE THAT INEVITABLY, PERHAPS BEFORE ANOTHER YEAR HAS PASSED, THE GOVERNMENT AND PARLIAMENT OF CANADA WILL HAVE ACTED. AT SUCH A TIME, WE WOULD THEN BE AS READY, OR NEAR READY, TO INTRODUCE A PROPER SYSTEM WITHOUT FURTHER UNNECESSARY DELAY.

MEANWHILE, THE GOVERNMENT WOULD WELCOME THE ADVICE AND OPINION OF HONOURABLE MEMBERS, AND OF OTHERS WITH AN INTEREST IN THIS SUBJECT, NOW THAT THE TASK FORCE REPORT IS AVAILABLE FOR THEIR STUDY.

MR. SPEAKER, THE RECOMMENDATIONS OF THE TASK FORCE ARE SUMMARIZED IN CHAPTER 15 OF ITS REPORT. THE GOVERNMENT CONSIDERS THESE RECOMMENDATIONS AS SUITABLE GUIDELINES FOR DETERMINING ITS ULTIMATE POLICY WITH RESPECT TO THIS MATTER.

HONOURABLE MEMBERS MAY HAVE NOTED IN THE PRESS THIS MORNING, A REPORT STATING THAT THE GOVERNMENT OF ONTARIO WAS LIKELY TO TAKE OVER OFF-TRACK BETTING IN THE PROVINCE WITHOUT WAITING FURTHER FOR THE FEDERAL GOVERNMENT TO ACT IN AMENDING THE CRIMINAL CODE.

IT IS TRUE, MR. SPEAKER, THAT THE GOVERNMENT COULD ESTABLISH ITS OWN OFF-TRACK WAGERING OUTLETS, BUT IT IS VERY DOUBTFUL THAT IT COULD ESTABLISH THE SYSTEM IT DESIRES, WHICH IS TO SAY, A SYSTEM OF CONVEYING WAGERS TO THE TRACK BY ELECTRONIC MEANS WITHOUT A FEDERAL AMENDMENT. IN OTHER WORDS, THE GOVERNMENT WOULD ONLY BE IN COMPETITION WITH THE EXISTING MESSENGER BETTING SHOPS AND THIS, AS HONOURABLE MEMBERS WILL RECOGNIZE, DOES NOT GO FAR ENOUGH IN MEETING THE SITUATION AND SOLVING THE BASIC PROBLEMS AND ACHIEVING THE DESIRED RESULTS.

MR. SPEAKER, THE RACING INDUSTRY IN ONTARIO HAS A REPUTATION FOR INTEGRITY THAT IS UNRIVALLED BY ANY OTHER IN THE RACING WORLD. THE GOVERNMENT OF ONTARIO HAS AN INTEREST IN SUPPORTING AND MAINTAINING THE INDUSTRY IN THE PROTECTION OF ITS REPUTATION AND INTERESTS.

THE MEMBER FOR HIGH PARK IMPLIED YESTERDAY THAT THERE WERE TWO RACE TRACKS IN THE PROVINCE WHICH WERE STILL EMPLOYING DOMINION SPORTS SERVICES, THE SUBSIDIARY OF AN AMERICAN ORGANIZATION WHICH IS PRESENTLY BEFORE THE COURTS AND UNDER INVESTIGATION IN THE UNITED STATES. FOR THE RECORD, IT SHOULD BE SAID THAT NEITHER WINDSOR RACEWAY, NOR RIDEAU CARLETON RACEWAY EMPLOY DOMINION SPORTS SERVICES, AND THE JOCKEY CLUB OF ONTARIO HAS RECENTLY ANNOUNCED THAT IT HAS GIVEN NOTICE OF TERMINATING ITS CONTRACT WITH DOMINION SPORTS SERVICES.

THE TRUTH IS, MR. SPEAKER, THAT THE RACING INDUSTRY OF ONTARIO IS AS ANXIOUS TO PROTECT ITS GOOD REPUTATION AS IS THE GOVERNMENT, AND I BELIEVE THAT IT IS UNFAIR TO THE INDUSTRY TO MAKE GENERAL ALLEGATIONS LACKING THE SUBSTANCE OF FACT, WHICH CAN ONLY CREATE SUSPICION AND DOUBT IN THE MINDS OF THE GENERAL PUBLIC.

FINALLY, MR. SPEAKER, LET ME SAY THAT THE GOVERNMENT HAS MADE PROGRESS TOWARDS CLEARING UP THIS SITUATION AND WILL CONTINUE TO DO SO. ALL THAT IS REQUIRED NOW IS THE CO-OPERATION OF THE FEDERAL GOVERNMENT SO THAT WE CAN RECONCILE THE NEED FOR THE PUBLIC DEMAND FOR AN OFF-TRACK WAGERING SYSTEM WITH THE PUBLIC INTEREST.

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MR. SPEAKER, I WOULD LIKE TO GIVE A BRIEF STATUS REPORT ON A NUMBER OF THE PROGRAMS ANNOUNCED IN THE THRONE SPEECH LAST FEBRUARY.

THE OMNIBUS BILL TO REORGANIZE GOVERNMENT STRUCTURE, BASED ON THE CRONYN COMMITTEE REPORT, WAS GIVEN ROYAL ASSENT LAST APRIL, AND THE CRONYN COMMITTEE REPORTS ON AUTOMATIC DATA PROCESSING AND HUMAN RESOURCE UTILIZATION HAVE BEEN PUBLISHED.

BILLS HAVE BEEN INTRODUCED TO IMPLEMENT PLANS FOR REGIONAL GOVERNMENTS IN SUDBURY AND KITCHENER-WATERLOO, AND THE BILL TO REFORM MUNICIPAL ELECTION PROCEDURES IS NOW AT THE COMMITTEE STAGE IN THE HOUSE.

TWO EDUCATION BILLS WHICH WERE BEFORE THE SOCIAL DEVELOPMENT COMMITTEE OF THE HOUSE -- ONE OF THEM DEALING WITH REFORM OF THE ONTARIO SCHOOL RECORD SYSTEM, AND THE OTHER ALLOWING SCHOOL BOARDS AND MUNICIPALITIES TO SHARE IN DEVELOPING FACILITIES FOR BOTH SCHOOL AND COMMUNITY USE ARE NOW READY FOR THIRD READING.

LEGISLATION TO IMPLEMENT THE GRANGE REPORT ON HOSPITAL PRIVILEGES WILL BE INTRODUCED THIS WEEK, THUS PROVIDING APPEAL MECHANISM FOR PHYSICIANS WHO ARE REFUSED HOSPITAL COURTESY PRIVILEGES. LEGISLATION TO PROVIDE INSURED SERVICES IN NURSING HOMES AND HOMES FOR THE AGED WAS GIVEN ROYAL ASSENT IN APRIL AND MAY.

BILLS TO ALLOW FOR THE ENLARGEMENT AND DIVERSIFICATION OF BOARDS OF DIRECTORS OF THE ONTARIO DEVELOPMENT CORPORATION AND THE NORTHERN ONTARIO DEVELOPMENT CORPORATION ARE NOW READY FOR THIRD READING.

LEGISLATION WILL BE FORTHCOMING, MR. SPEAKER, ON OTHER MATTERS MENTIONED IN THE THRONE SPEECH REQUIRING LEGISLATION; AND ON OTHER MATTERS WHERE STUDIES WERE CALLED FOR, STUDIES ARE UNDERWAY.

I HAVE ALREADY MADE REFERENCE TO ECONOMIC POLICY AND STRATEGY, BUT I SHOULD POINT OUT THAT, AS PROMISED LAST OCTOBER, THE GOVERNMENT HAS EXPANDED THE MUNICIPAL EMPLOYMENT INCENTIVE GRANT PROGRAM FROM \$7.5 MILLION TO \$35 MILLION, AND THAT THE MONEY HAS BEEN VOTED FOR A \$10 MILLION PROGRAM TO BUILD DAY NURSERIES FOR 4,000 CHILDREN.

I AM PLEASED TO REPORT THAT THE MINISTRY OF AGRICULTURE AND FOOD IS CONTINUING TO EXPAND THE SALES OF ONTARIO-GROWN AGRICULTURAL AND FOOD PRODUCTS, AND THAT THESE EFFORTS HAVE BEEN ASSISTED BY ONTARIO TRADE MISSIONS AND OFFICES ABROAD.

IN REGARD TO THE ENVIRONMENTAL MATTERS, AN AGREEMENT BETWEEN CANADA AND THE UNITED STATES TO CLEAN UP THE GREAT LAKES WAS SIGNED LAST APRIL. ONTARIO HAS SIGNED A PREVIOUS AGREEMENT WITH OTTAWA, AUTHORIZING THE FEDERAL GOVERNMENT TO ACT ON ONTARIO'S BEHALF, AND OUR ROLE IN IMPLEMENTATION IS PROCEEDING.

A TASK FORCE ON LITTER, WITH REPRESENTATIVES FROM GOVERNMENT, INDUSTRY AND CITIZEN GROUPS IS INVESTIGATING MEANS BY WHICH TO COMBAT THIS PROBLEM; AND A STUDENT PROGRAM IS IN PROGRESS TO LOCATE ABANDONED AUTOMOBILES AND SEEK CO-OPERATION IN HAVING THEM REMOVED.

THE SUM OF \$1 MILLION WAS INCLUDED IN THE ESTIMATES OF THE MINISTRY OF NATURAL RESOURCES THIS YEAR FOR THE MINERAL EXPLORATION ASSISTANCE PROGRAM TO ENCOURAGE MINING EXPLORATION IN NORTHERN ONTARIO,

AND THE RESOURCES TRANSPORTATION PROGRAM IN THE NORTH CONTINUES -- THE PICKLE CROW ROAD HAS BEEN COMPLETED TO MILE 98 AND PRE-ENGINEERING WORK IS UNDERWAY ON APPROXIMATELY ANOTHER 50 MILES. THE RED LAKE ROAD NOW CONSISTS OF 46 MILES OF GRANULAR BASE, AND 70 MILES HAVE BEEN CLEARED. A CONTRACT IS TO BE LET FOR ANOTHER 12 MILES OF CLEARING BRUSH.

IN ANTICIPATION OF CANADA EVENTUALLY CONVERTING TO THE METRIC SYSTEM OF MEASUREMENT, THE ONTARIO GOVERNMENT HAS ESTABLISHED A METRIC CONVERSION OFFICE IN THE STANDARDS, DESIGN AND INNOVATION BRANCH OF THE MINISTRY OF INDUSTRY AND TOURISM. INTERNATIONAL STANDARDS AND SPECIFICATIONS ARE ALSO RECEIVING ATTENTION WITHIN THE METRIC CONVERSION OFFICE.

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IN CONCLUSION, MR. SPEAKER, I THINK YOU WILL AGREE WHILE THE PRACTICE OF POLITICS MAY WELL BE THE ART OF THE POSSIBLE, THIS GOVERNMENT DOES NOT BELIEVE IN ATTEMPTING TO PRACTICE THE IMPOSSIBLE.

THIS GOVERNMENT IS NEVER SLOW TO ACT, AND ALL OF ITS ACTIONS ARE BASED ON CONSIDERED JUDGMENTS AND SOLID CRITERIA ASSEMBLED BY THE MOST COMPETENT PERSONNEL BOTH WITHIN AND WITHOUT GOVERNMENT.

ACCORDINGLY, IT ACTS RESPONSIBLY. THE PEOPLE OF ONTARIO HAVE RECOGNIZED THIS FACT IN THE PAST WHEN CALLED UPON TO EXERCISE THEIR FRANCHISE, AND I CAN ASSURE THEM THAT WE WILL MORE THAN LIVE UP TO THEIR EXPECTATIONS IN THE FUTURE.

THANK YOU, MR. SPEAKER.

CAZ φN
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REMARKS BY
THE HONOURABLE WILLIAM G. DAVIS
PREMIER OF ONTARIO

ATLANTIC CITY, N.J.
SUNDAY, JUNE 18TH, 1972

OPENING CEREMONIES
KIWANIS INTERNATIONAL
57TH ANNUAL CONVENTION

FIRST, I THANK YOU FOR INVITING ME TO BE THE KEYNOTE SPEAKER AT THE OPENING CEREMONIES OF THIS, THE 57TH ANNUAL CONVENTION OF KIWANIS INTERNATIONAL. AS A KIWANIAN MYSELF, I FEEL HONOURED IN A VERY PERSONAL WAY, AND ALL THAT I CAN DO BY WAY OF RECIPROCATION IS TO FORMALLY INVITE YOU TO HOLD YOUR 1978 CONVENTION -- WHICH I GATHER IS STILL OPEN TO INVITATION -- IN THE PROVINCE OF ONTARIO AND SPECIFICALLY IN THE CITY OF TORONTO, WHICH IS THE CAPITAL CITY OF OUR PROVINCE AND WHERE YOU WOULD BE MORE THAN WELCOME.

BEFORE YOUR CONVENTION IS OVER, I AM SURE THAT MOST OF YOU WILL HAVE THE OPPORTUNITY OF MEETING THE MANY DELEGATES FROM ALL PARTS OF CANADA WHO ARE PRESENT THIS EVENING. SOME OF THEM MAY NOT BE QUITE SO WARM IN THEIR PRAISES OF THE PROVINCE OF ONTARIO OR THE CITY OF TORONTO AS AM I -- DEPENDING ON WHICH OTHER PART OF CANADA THEY COME FROM -- BUT THEN, THIS FRIENDLY REGIONAL RIVALRY IS SOMETHING NOT RESTRICTED TO JUST MY OWN COUNTRY.

ALL I CAN SAY IS THAT FEW, IF ANY, PEOPLE FROM THE UNITED STATES WHO HAVE VISITED THE PROVINCE OF ONTARIO AND THE CITY OF TORONTO HAVE LEFT DISAPPOINTED IN TERMS OF WHAT THEY WERE LED TO EXPECT AND WHAT, IN FACT, THEY SAW AND EXPERIENCED. INDEED, MANY, UPON RETURNING HOME, HAVE TAKEN THE TROUBLE TO WRITE TO EITHER THE ONTARIO GOVERNMENT MINISTRY RESPONSIBLE FOR TOURISM OR TO ONE OF THE TORONTO DAILY PAPERS TO EXPRESS THEIR APPRECIATION OF THE SERVICE AND HOSPITALITY EXTENDED TO THEM, AND TO COMMENT FAVOURABLY ON THE SOCIAL AND ECOLOGICAL ENVIRONMENT WE ARE STILL FORTUNATE TO POSSESS UP THERE. IN ANY EVENT, I HOPE THAT ALL OF YOU -- FROM ALL PARTS OF THE UNITED STATES -- WILL CONSIDER A VISIT TO ONTARIO AND CANADA IN YOUR FUTURE TRAVEL PLANS, AND LONG BEFORE 1978. INDEED, I AM SURE THAT MANY OF YOU HAVE ALREADY DONE SO ON A NUMBER OF OCCASIONS, AND THAT YOU WILL CONTINUE TO DO SO.

I KNOW THAT AMONG THE RESOLUTIONS YOUR CONVENTION WILL BE CONSIDERING, ONE HAS TO DO WITH THE ENVIRONMENT, AND I WAS ASKED TO ADDRESS MYSELF TO THAT PARTICULAR TOPIC.

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I AM DELIGHTED TO DO SO, THOUGH I SHALL TRY TO AVOID THE TEMPTATION OF MAKING A "MOTHERHOOD" SPEECH. ALL POLITICIANS -- AND ALL KIWANIAN, I IMAGINE -- ARE IN FAVOUR OF MOTHERHOOD, AND IN THIS I MUST CONFESS I AM PROBABLY NO DIFFERENT.

ALL POLITICIANS -- AND AGAIN, I IMAGINE ALL KIWANIAN -- ARE SOLIDLY IN FAVOUR OF PRESERVING OUR ENVIRONMENT, AND, IN MANY INSTANCES ATTEMPTING TO RESTORE OUR ENVIRONMENT. IN THIS RESPECT, I AM CERTAINLY NO DIFFERENT. IN FACT, I CAN, WHERE I CONSIDER IT TO BE APPROPRIATE, BECOME EXTREMELY FERVENT ON THIS SUBJECT.

BUT AFTER FOLLOWING THE DEBATES OVER ENVIRONMENTAL MATTERS IN THE PAST DECADE, AND HAVING EXAMINED THE REPORTS PREPARED BY RESPECTABLE EXPERTS IN THE FIELD WHO AGREE TO DISAGREE, I PREFER TO REST MY HEAD ON THE PILLOW OF REASON AND COME TO SOME CONCLUSIONS OF MY OWN.

SOME OF MY THOUGHTS MAY SEEM TO BE OBVIOUS -- BUT THEN, THE OBVIOUS -- THESE DAYS AT LEAST -- IS SOMETHING THAT IS FREQUENTLY OVERLOOKED. WE HAVE LEARNED THAT LIFE IS INCREASINGLY COMPLEX. IT IS. WE HAVE BEEN TOLD THAT WE ARE IN THE MIDST OF A TECHNOLOGICAL REVOLUTION. WE ARE. BUT PERHAPS WE HAVE FORGOTTEN THAT LIFE IS OFTEN ONLY AS COMPLICATED AS WE CHOOSE TO MAKE IT, CERTAINLY ON A PERSONAL LEVEL; AND THAT LIFE WITHIN THE SOCIETY IN WHICH WE LIVE, AND MOST DEFINITELY THIS IS THE CASE IN A DEMOCRATIC SOCIETY, IS ONLY AS COMPLICATED AS WE PERMIT OUR ELECTED GOVERNMENTS TO MAKE IT.

IT IS TRUE THAT IN COUNTRIES WITH DIFFERENT SYSTEMS OF GOVERNMENT, THE INDIVIDUAL CITIZEN LACKS THE SAME LEVERAGE THAT WE ENJOY IN THIS RESPECT. BUT WHEN SPEAKING OF THE GLOBAL ENVIRONMENT, THE LEVERAGE IS THERE. IT CAN BE IMPOSED ARBITRARILY FROM THE TOP -- WHICH IS NOT OUR WAY -- BUT IT IS THERE, NONETHELESS, AND I SHALL EXPAND UPON THIS MOMENTARILY.

FIRST, I WOULD LIKE TO RECITE A FIRST CATECHISM CONCERNING THE ENVIRONMENT, AND IT IS THIS:

- THAT POLLUTION OF THE AIR AND OF RIVERS AND STREAMS IS NO RESPECTER OF NATIONAL BOUNDARIES.
- THAT THE SAME POLLUTION KNOWS NO POLITICS AND ADHERES TO NO PARTICULAR IDEOLOGY.
- THAT THIS PROBLEM CAN BE SOLVED ONLY BY COLLECTIVE POLITICAL ACTION.
- THAT POLITICAL ACTION OF THIS TYPE IN A DEMOCRATIC, FREE ENTERPRISE SOCIETY REQUIRES THE CO-OPERATION AND SOME SACRIFICE ON THE PART OF ALL OF ITS CITIZENS WHO, BROADLY SPEAKING, COMPRISE INDUSTRY AND LABOUR.

ALL RIGHT. I HAVE DEALT WITH THE OBVIOUS WAY THIS SITUATION SHOULD BE HANDLED IN A DEMOCRATIC SOCIETY. AND IF WE LIVED IN A GLOBAL DEMOCRACY, I THINK WE COULD ALL EMERGE AS WINNERS IN A COMPARATIVELY SHORT TIME.

BUT WE DO NOT LIVE IN A GLOBAL DEMOCRACY. IN SOME COUNTRIES, THE GOVERNMENT -- AND ONLY THE GOVERNMENT -- CAN TAKE APPROPRIATE ACTION. THE CITIZENS DO NOT POSSESS THE POWERS THAT WE ENJOY IN GETTING OUR RESPECTIVE GOVERNMENTS TO RESPOND TO THE WISHES OF THE MAJORITY.

BUT THE MEN WHO GOVERN THESE POWERLESS PEOPLES REALIZE THAT THERE IS NO POINT IN GOVERNING IF THERE IS NO ONE LEFT TO GOVERN. THESE SAME PEOPLE ALSO POSSESS MORE THAN SUFFICIENT INTELLIGENCE TO BE AWARE OF THE ECOLOGICAL THREAT TO THIS PLANET. THEY ARE AWARE OF ITS UNIVERSAL NATURE. AND WHERE THE TECHNOLOGY THAT HAS CREATED SOME OF THESE PROBLEMS SHOULD BE CALLED UPON TO HELP IN SOLVING THEM, MANY OF THESE COUNTRIES POSSESS THAT TECHNOLOGY.

ALSO THEY ARE AWARE OF THE ENVIRONMENTAL PROBLEMS BESETTING THE MOST ADVANCED TECHNOLOGICAL NATIONS IN THE WESTERN WORLD. IT IS TRUE THESE OTHER COUNTRIES SEEK TO EMULATE OUR MATERIAL ACHIEVEMENTS, BUT DO THEY WANT THE PROBLEMS THAT SOME OF THESE ACHIEVEMENTS HAVE BROUGHT WITH THEM? I THINK NOT.

SO I AM OPTIMISTIC THAT WHILE DEMOCRATIC COUNTRIES ARE BOUND TO ACT IN CLEANING UP OUR WORLD, SO TOO WILL THESE OTHER COUNTRIES INCREASINGLY WEIGH THEIR FUTURE MATERIAL DEVELOPMENT AGAINST WHAT IT WILL DO TO THEIR ENVIRONMENT.

THERE IS ANOTHER FACTOR THAT CANNOT BE IGNORED IN ANY DISCUSSION OF GLOBAL ENVIRONMENT. IT IS ONE THAT SURFACED BEFORE AND DURING THE JUST-CONCLUDED UNITED NATIONS' CONFERENCE ON THE HUMAN ENVIRONMENT HELD IN STOCKHOLM, AND IT IS ONE THAT DEMANDS VERY SERIOUS ATTENTION.

IT HAS TO DO WITH THE ATTITUDE OF THE "HAVE-NOT" NATIONS, OR, IF YOU PREFER, "DEVELOPING NATIONS" TOWARD ENVIRONMENTAL REGULATION AND CONTROL. MANY LEADERS OF THE DEVELOPING NATIONS STILL HARBOUR THE SUSPICION THAT THE ENVIRONMENTAL MOVEMENT IS ONLY THE LATEST WEAPON IN THE WEALTHY NATIONS' CONSPIRACY TO KEEP POWER AND PROSPERITY UNTO THEMSELVES.

THIS IS OBVIOUSLY NOT THE CASE, BUT I SUGGEST THAT THIS ATTITUDE OF MIND ON THE PART OF THE DEVELOPING NATIONS IS PERFECTLY UNDERSTANDABLE. ONE BRAZILIAN DELEGATE TO STOCKHOLM ARTICULATED IT THIS WAY: "BRAZIL," HE SAID, "WILL NOT ALLOW ECOLOGICAL CONCERNS TO PREJUDICE HER ECONOMIC DEVELOPMENT."

I BELIEVE THIS ARGUMENT WILL CONTINUE TO BE HEARD MANY TIMES FROM MANY DEVELOPING NATIONS, AND IT IS ONE THAT WEALTHIER NATIONS MUST DIRECT THEIR ATTENTION TOWARD SOLVING.

IT IS NO SECRET, FOR EXAMPLE, THAT THE WEALTHIER NATIONS REACHED THEIR PRESENT AFFLUENCE WITHOUT ANY REAL CONCERN FOR THE ENVIRONMENT, AND WITHOUT PAYING ANY OF THE COSTS OF PROTECTING IT. ACCORDINGLY, WE MUST ASK OURSELVES IF IT IS FAIR FOR US TO EXPECT NATIONS THAT ARE STILL IN THE GRIP OF POVERTY TO DEVELOP ALONG MORE EXPENSIVE LINES IN THE NAME OF ECOLOGY?

IF WE ARE SERIOUS ABOUT SAVING THIS PLANET FROM ECOLOGICAL DISASTER, I BELIEVE THE WEALTHY NATIONS WILL HAVE TO GIVE MORE THAN LIP SERVICE TO THE UNITED NATIONS' ENVIRONMENT PLAN THAT WAS APPROVED IN GENERAL OUTLINE IN STOCKHOLM.

MOST OF YOU, I AM SURE, WILL REMEMBER THE MARSHALL PLAN THAT FOLLOWED THE SECOND WORLD WAR AND BROUGHT ABOUT THE ECONOMIC RECOVERY OF A EUROPE THAT LAY DECIMATED IN 1946. THE MARSHALL PLAN WAS AN ACT OF UNPARALLELED ALTRUISM, AND ONE OF WHICH EVERY AMERICAN CAN BE PROUD.

IT IS TOO EARLY YET TO TELL WHETHER THE UNITED NATIONS' ENVIRONMENT PLAN WILL BE AS EFFECTIVE ON THE ECOLOGICAL FRONT AS WAS THE MARSHALL PLAN ON THE ECONOMIC FRONT, BUT IT IS ENCOURAGING TO SEE THAT 114 NATIONS APPROVED A SET OF PRINCIPLES AND THE ESTABLISHMENT OF A NEW UN AGENCY TO PUT THE AGREEMENT INTO EFFECT.

FINANCING OF THE PLAN WILL COME FROM A VOLUNTARY FIVE-YEAR \$100-MILLION FUND TO WHICH CANADA WILL CONTRIBUTE BETWEEN \$5 AND \$7.5 MILLION, AND THE UNITED STATES IS PROVIDING \$40 MILLION. BEYOND UN INVOLVEMENT AND INTER-GOVERNMENT CO-OPERATION, HOWEVER, I SUSPECT THAT SOMETHING MORE MAY BE REQUIRED, IF REAL RESULTS ARE TO BE ACHIEVED.

I SUSPECT THAT LARGE CORPORATIONS, AND CERTAINLY MULTINATIONAL CORPORATIONS, WILL HAVE TO MAKE A SOLID AND CONTINUING CONTRIBUTION IN TERMS OF MONEY, RESEARCH AND THE IMPLEMENTATION OF ENVIRONMENTAL TECHNIQUES AND TECHNOLOGY. I SUSPECT THAT THEY MAY HAVE TO ASSIST DEVELOPING NATIONS IN A VERY DIRECT FASHION IF THE INTEGRITY OF THE ENVIRONMENTAL MOVEMENT IS TO BE SUSTAINED AND STRENGTHENED. AND IF ANY OF THIS IS TO HAPPEN, IT WILL CALL FOR VOLUNTARY ACTS OF SINCERE CONSCIENCE AND INITIATIVE ON THE PART OF THE PRIVATE SECTOR RATHER THAN FOR GOVERNMENT MOBILIZATION OF PRIVATE SECTOR FORCES.

THIS, AT LEAST, IS MY PERSONAL VIEW AT THE MOMENT OF THE TYPE OF THE EXTRA DIMENSION THAT MAY BE NEEDED IF THE REMEDIES ARE TO BE TRULY EFFECTIVE AND IF THE EFFORT IS TO BE TRULY GLOBAL.

AS I AM SURE MANY OF YOU KNOW -- AND CERTAINLY THOSE DELEGATES FROM NEW YORK, OHIO, MICHIGAN, ILLINOIS, MINNESOTA, PENNSYLVANIA AND WISCONSIN SHOULD BE AWARE, SINCE THEIR STATES ARE DIRECTLY AFFECTED -- AN AGREEMENT HAS BEEN REACHED BETWEEN THE UNITED STATES GOVERNMENT AND THE GOVERNMENT OF CANADA REGARDING THE WATER QUALITY OF THE GREAT LAKES.

IT WAS SIGNED IN OTTAWA LAST APRIL 15 BY PRESIDENT NIXON AND PRIME MINISTER TRUDEAU. BOTH HEADS OF GOVERNMENT RIGHTLY HAILED IT AS AN IMPORTANT FIRST STEP IN CLEANING UP THE GREAT LAKES, AND PROVIDING A DIRECT BENEFIT TO THE 30 MILLION AMERICANS AND THE 7 MILLION CANADIANS RESIDING ON OR AROUND THEIR SHORES.

THE 7 MILLION CANADIANS REFERRED TO AT THE TIME BY PRESIDENT NIXON ARE ALL RESIDENTS OF THE PROVINCE OF ONTARIO. ACCORDINGLY, THE CANADIAN COMMITMENT TO THIS AGREEMENT INVOLVES ONLY THE GOVERNMENT OF CANADA AND MY GOVERNMENT. THE AMERICAN COMMITMENT EMBRACES THE SEVEN STATES I MENTIONED A MOMENT AGO.

YOU MAY BE INTERESTED TO KNOW THAT THE FIRST JURISDICTION TO SEEK SUCH AN AGREEMENT WAS ONTARIO, OR, MORE PRECISELY, THE GOVERNMENT OF ONTARIO. YOU MAY BE SURPRISED TO LEARN THAT CANADA AND THE UNITED STATES SAW EARLY EXAMPLES OF POLLUTION IN THE GREAT LAKES NEARLY 75 YEARS AGO, AND IN 1911 CREATED THE INTERNATIONAL JOINT COMMISSION TO DEAL WITH IT.

BUT FOR MORE THAN 50 YEARS, THE COMMISSION'S WORK WAS CONFINED MAINLY TO STUDIES AND INTERNATIONAL PAPER-PASSING. EVENTUALLY, ONTARIO AND VARIOUS STATE GOVERNMENTS ON THE AMERICAN SIDE BEGAN INSTITUTING INDIVIDUAL THOUGH UNCO-ORDINATED MEASURES TO RECTIFY THE SITUATION.

IT WAS FROM THE ONTARIO GOVERNMENT, HOWEVER, THAT THE IMPETUS SPRANG FOR AN INTERNATIONAL AGREEMENT. NOW THAT IT HAS BEEN SIGNED, THE ADHERENCE TO IT IS A FEDERAL RESPONSIBILITY ON BOTH SIDES OF THE BORDER -- THAT IS, BETWEEN WASHINGTON AND OTTAWA.

AS THE INITIATORS OF THIS AGREEMENT, WE IN THE GOVERNMENT OF ONTARIO INTEND TO KEEP A CLOSE WATCH ON ITS RATE OF IMPLEMENTATION, AND WE EXPECT OUR FEDERAL GOVERNMENT TO DO THE SAME.

WHILE WE ARE HAPPY WITH THE PHILOSOPHICAL INTENT OF THE AGREEMENT, AND WHILE WE DO NOT FOR A MOMENT QUESTION THE INTEGRITY OF THE AMERICAN PLEDGE, WE NONETHELESS HOPE THE UNITED STATES' ADMINISTRATION WILL BE IN A POSITION TO RAISE THE NECESSARY FUNDS THAT WILL ENABLE IT TO LIVE UP TO ITS STATED COMMITMENT.

THIS, AS I SAY, HAS NOTHING TO DO WITH INTEGRITY OF PURPOSE. IT HAS TO DO WITH RELATIONSHIPS INHERENT BETWEEN THE EXECUTIVE AND LEGISLATIVE BRANCHES OF THE UNITED STATES GOVERNMENT -- RELATIONSHIPS WHICH I AM SURE CITIZENS FROM ALL 50 STATES ARE AWARE CAN BECOME STRAINED AT TIMES.

IN CANADA, UNDER OUR PARLIAMENTARY SYSTEM OF GOVERNMENT, WE REGARD THIS SORT OF AGREEMENT AS A TREATY. HERE IN THE UNITED STATES IT IS KNOWN AS AN EXECUTIVE AGREEMENT, WHICH MEANS THAT THE EXECUTIVE BRANCH APPROACHES CONGRESS TO SEEK APPROPRIATION OF THE REQUIRED FUNDS.

AND THERE, OF COURSE, IS THE RUB, SINCE CONGRESS IS IN NO WAY OBLIGED TO AUTHORIZE THE APPROPRIATION OF THESE FUNDS. AS I POINTED OUT TO A CANADIAN AUDIENCE SHORTLY AFTER THE SIGNING OF THE AGREEMENT, THE UNITED STATES CONGRESS HAS TO DEAL WITH THE CONCERNS NOT JUST OF THE SEVEN STATES DIRECTLY AFFECTED BY THE CONDITION OF THE GREAT LAKES, BUT WITH THE CONCERNS OF THE REMAINING 43 STATES AS WELL, WHICH MAY WELL DIFFER IN NATURE AND PRIORITY.

WHILE I CAN UNDERSTAND A RESIDENT OF, SAY, NEW MEXICO NOT BEING VITALLY INTERESTED IN THE CONDITION OF THE GREAT LAKES, ALL I CAN SAY, FRANKLY, IS THAT THE POLLUTION OF A VAST AND HISTORIC BODY OF CONTINENTAL FRESH WATER SHOULD BE THE CONCERN OF EVERY NORTH AMERICAN IRRESPECTIVE OF WHERE THEY LIVE. IT IS A RESOURCE. WHAT IS MORE IT IS A SHARED RESOURCE BENEFITTING BOTH CANADIANS AND AMERICANS, AND AS SUCH, WE MUST CONTINUE TO ENSURE THAT IT REMAINS A RESOURCE, RATHER THAN BEING PERMITTED TO DEGENERATE INTO A BLIGHT, NOT ONLY ON OUR LANDSCAPE BUT ON OUR CONSCIENCES AS WELL.

AS I HAVE MENTIONED, THE ADHERENCE TO THE GREAT LAKES AGREEMENT IS A JOINT RESPONSIBILITY OF THE FEDERAL GOVERNMENT OF CANADA AND THE FEDERAL GOVERNMENT OF THE UNITED STATES. UNDERSTANDING THAT, I WOULD HOPE THAT AMERICANS EVERYWHERE WILL URGE CONGRESS THROUGH THE APPROPRIATE CHANNELS TO GRANT THE NECESSARY FUNDS TO ENSURE THAT THE GREAT LAKES CONTINUE TO BE GREAT AND FRESH AND ONCE AGAIN BRIMMING WITH AQUATIC LIFE.

THE ONTARIO GOVERNMENT HAS HAD A MINISTER OF THE ENVIRONMENT NOW FOR SEVERAL YEARS BECAUSE WE ANTICIPATED THAT THIS BROAD AREA NEEDED SPECIFIC GOVERNMENT ATTENTION. WE WERE DETERMINED NOT TO ALLOW MATTERS TO GET OUT OF HAND; AT THE SAME TIME WE REALIZED A NEED FOR A BALANCED APPROACH THAT WOULD LEAD TO ENVIRONMENTAL IMPROVEMENT WITHOUT ECONOMIC DISLOCATION. WE RECOGNIZED THAT YOU CANNOT AND SHOULD NOT STOP PROGRESS, BUT THAT PROGRESS CAN AND MUST BE REGULATED IF IT IS TO SERVE THE BEST INTERESTS OF ALL ELEMENTS OF SOCIETY.

LONG BEFORE THE MINISTRY OF THE ENVIRONMENT WAS SET UP, THE ONTARIO GOVERNMENT CREATED THE ONTARIO WATER RESOURCES COMMISSION -- IN FACT, IT WAS CREATED BEFORE I WAS EVEN FIRST ELECTED TO THE ONTARIO LEGISLATURE AS A PRIVATE MEMBER, WHICH WAS IN 1959, AND IT WAS CERTAINLY BEFORE I OR MY FELLOW LEGISLATORS WOULD HAVE BEEN ABLE TO TELL YOU THE MEANING OF THE WORD "ECOLOGY".

THE WATER RESOURCES COMMISSION WAS ESTABLISHED ON MARCH 28, 1956, AND I SUSPECT THAT IT MUST HAVE BEEN THE FIRST GOVERNMENTAL BODY OF ITS TYPE IN NORTH AMERICA. IN ANY EVENT, IT WAS AN INDICATION OF OUR EARLY CONCERN OVER WHAT WAS HAPPENING TO OUR RIVERS AND STREAMS AND WATER SUPPLIES GENERALLY -- LONG BEFORE MOST PEOPLE WERE PAYING ANY ATTENTION TO THESE MATTERS.

PERHAPS I SHOULD BRIEFLY OUTLINE WHAT THE ONTARIO MINISTRY OF THE ENVIRONMENT DOES AND HOW IT WORKS. AS ITS NAME IMPLIES, THE MINISTRY IS RESPONSIBLE FOR MAINTAINING AND IMPROVING THE QUALITY OF THE NATURAL ENVIRONMENT IN OUR PROVINCE, AND TO DO SO, IT SETS STANDARDS FOR POLLUTION CONTROL, ENFORCES EXISTING LAWS, AND PROPOSES NEW ONES AS THEY ARE NEEDED TO MAINTAIN AND IMPROVE PRESENT STANDARDS.

THE MINISTRY CONSISTS OF FIVE OPERATING DIVISIONS -- AIR AND LAND POLLUTION CONTROL; WATER RESOURCES; WATER TREATMENT AND POLLUTION CONTROL; LABORATORY AND RESEARCH; AND FINANCIAL AND ADMINISTRATIVE SERVICES.

THE AIR AND LAND POLLUTION CONTROL DIVISION, FOR EXAMPLE, MAINTAINS AN EXTENSIVE AIR MONITORING SYSTEM SPREAD ACROSS THE PROVINCE. DATA IS TELEMETERED TO TORONTO FOR ANALYSIS AND CALCULATION OF THE AIR POLLUTION INDEX, WHICH OPERATES ON A SCALE OF 0 THROUGH 100. ANY READING BELOW 32 IS CONSIDERED ACCEPTABLE. AT 32, HOWEVER, MAJOR SOURCES OF AIR POLLUTION ARE ADVISED TO BE PREPARED TO CURTAIL POLLUTION-PRODUCING OPERATIONS. AT 50, THE MINISTRY OF THE ENVIRONMENT MAY ORDER CERTAIN CUTBACKS TO PLANT OPERATIONS, WITH ADDITIONAL CURTAILMENTS ORDERED WHEN THE INDEX REACHES 75. AT 100, THE CRITICAL LEVEL, ALL SOURCES OF AIR POLLUTION NOT ESSENTIAL TO PUBLIC HEALTH AND SAFETY -- HOSPITALS, FOR INSTANCE, WOULD HAVE TO BE EXEMPTED -- MAY BE ORDERED TO CEASE OPERATION.

THE DIVISIONS RESPONSIBLE FOR THE FIELD OF WATER MANAGEMENT ARE RESPONSIBLE FOR THE PLANNING, ARRANGING AND FINANCING OF SEWAGE AND WATERWORKS PROJECTS IN MUNICIPALITIES THROUGHOUT ONTARIO, AND THESE DIVISIONS ALSO KEEP A CONSTANT WATCH ON POTENTIAL SOURCES OF INDUSTRIAL AND AGRICULTURAL WATER POLLUTION.

THESE ARE BUT INDICATIONS OF THE FULL SCOPE OF THE MINISTRY'S WORK AND RESPONSIBILITIES, AND THE EFFORTS WE ARE MAKING TO KEEP OUR PROVINCE LIVABLE AND CLEAN FOR THOSE WHO RESIDE THERE NOW AND FOR THOSE WHO WILL RESIDE THERE IN GENERATIONS TO COME.

ACCORDINGLY, WE IN ONTARIO ARE MORE THAN WILLING TO BE PARTNERS IN ACHIEVING A BETTER ENVIRONMENT -- NATIONALLY, CONTINENTALLY AND GLOBALLY. WE ARE FULLY AWARE OF OUR NATURAL ASSETS AND STRENGTHS IN THIS REGARD, BUT WE ARE ALSO CONSCIOUS OF THE FACT THAT NOT ALL OTHER REGIONS OR COUNTRIES ARE SO BLESSED AND WE RECOGNIZE THE NEED TO RECTIFY THESE IMBALANCES.

I AM SURE THAT ALL OF YOU, AS KIWANIANS GUIDED BY BASIC KIWANIAN PRINCIPLES, RECOGNIZE THIS NEED AS WELL AND WILL CONTINUE TO DIRECT YOUR ENERGIES TOWARD CREATING NOT ONLY A BETTER ENVIRONMENT BUT A BETTER SOCIETY AS WELL, IN WHICH THE FRUITS OF YOUR LABOUR CAN BE ENJOYED IN A WORLD THAT IS CLEAN, SANE AND AT PEACE WITH NATURE.

I WISH YOU WELL IN YOUR DELIBERATIONS AT THIS IMPORTANT INTERNATIONAL CONVENTION AND I THANK YOU FOR AFFORDING ME THE OPPORTUNITY OF ADDRESSING YOU.

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ACTIVITIES AND ACCOMPLISHMENTS
OF THE 2ND SESSION OF THE 29TH PARLIAMENT

STATEMENT BY THE PREMIER
THE HONOURABLE WILLIAM G. DAVIS

FOLLOWING ADJOURNMENT OF
THE LEGISLATIVE ASSEMBLY OF ONTARIO
FRIDAY, JUNE 30TH, 1972

THIS IS AN APPROPRIATE OCCASION FOR ME TO OFFER TO THE PEOPLE OF THE PROVINCE A QUICK CHECK-LIST OF ALL THE THINGS THAT HAVE BEEN INTRODUCED, DEBATED AND ACCOMPLISHED DURING THE SPAN OF THIS SESSION WHICH CONCLUDED TODAY.

A NEW PROPERTY TAX CREDIT PLAN HAS BEEN INTRODUCED WHICH WILL LIGHTEN THE TAX BURDEN ON MOST RESIDENTS OF ONTARIO. IT REPLACES THE OLD RESIDENTIAL PROPERTY TAX REDUCTION SYSTEM WHICH WAS IN EFFECT THROUGH THE PAST FOUR YEARS. A PAMPHLET EXPLAINING HOW THE NEW PLAN WORKS AND ANSWERING QUESTIONS PEOPLE HAVE BEEN ASKING HAS BEEN SENT OUT TO THE MUNICIPALITIES FOR DISTRIBUTION TO THEIR RESIDENTS.

EARLIER THIS MONTH, I REVIEWED PHASE III OF THE GOVERNMENT'S DESIGN FOR DEVELOPMENT PROGRAM, OUTLINING THE PROGRESS MADE SINCE 1968 AND INDICATING FUTURE GOVERNMENT INITIATIVES REGARDING:

- 1) PROVINCIAL-REGIONAL SOCIAL AND ECONOMIC PLANNING POLICY;
- 2) LOCAL GOVERNMENT REFORM POLICY;
- 3) PROVINCIAL-MUNICIPAL FISCAL REFORM POLICY.

AS PART OF THE CONTINUING REGIONAL DEVELOPMENT PROGRAM, PHASE I REPORTS WERE RELEASED FOR THE LAKE ERIE, LAKE ONTARIO AND LAKE ST. CLAIR REGIONS. IN THE TORONTO CENTRED REGION, IMPORTANT ASPECTS OF THE PLAN ARE NOW BEING IMPLEMENTED. THE EXACT LOCATION OF THE PARKWAY BELT IN THE TOWN OF BURLINGTON HAS BEEN DETERMINED AND MADE PUBLIC. A SERVICING SCHEME FOR CENTRAL YORK, BASED ON POPULATION PROJECTIONS CONSISTENT WITH THE PLAN, WAS ALSO ANNOUNCED DURING THIS SESSION.

AS PART OF THE LOCAL GOVERNMENT REFORM PROGRAM, LEGISLATION HAS BEEN INTRODUCED TO CREATE THE REGIONAL MUNICIPALITIES OF SUDBURY AND WATERLOO, EFFECTIVE JANUARY 1, 1973. LEGISLATION HAS ALSO BEEN INTRODUCED TO CREATE A NEW CITY OF 100,000 SQUARE MILES IN THE PORCUPINE AREA COMPOSED OF THE PRESENT TOWN OF TIMMINS AND SURROUNDING MUNICIPALITIES AND UNORGANIZED TERRITORY.

THE MUNICIPAL ELECTIONS ACT, INTRODUCED AND PASSED THIS SESSION, CREATES A UNIFORM SYSTEM OF ELECTION DATES AND TERMS OF OFFICE FOR ALL MUNICIPALITIES IN ONTARIO. THE CONFLICTS OF INTEREST ACT CLARIFIES THE QUALIFICATIONS FOR HOLDING ELECTED OFFICE IN THIS PROVINCE.

ON JUNE 15TH, THE GOVERNMENT INTRODUCED IMPORTANT LEGISLATION DEALING WITH FOREIGN INVESTMENT. IT WILL REQUIRE ALL FIRMS WITHIN ONTARIO'S JURISDICTION TO HAVE A MAJORITY OF CANADIAN CITIZENS ORDINARILY RESIDENT IN CANADA ON THEIR BOARDS OF DIRECTORS.

THE GOVERNMENT ALSO RECONVENED THE SELECT COMMITTEE ON ECONOMIC AND CULTURAL NATIONALISM TO EXAMINE THE FEDERAL FOREIGN TAKEOVERS REVIEW ACT, THE BACKGROUND STUDY TITLED "FOREIGN DIRECT INVESTMENT IN CANADA", AND THE IMPLICATIONS FOR ONTARIO. THIS COMMITTEE WILL ALSO BE COMMENTING ON THE RECOMMENDATIONS OF THE ROYAL COMMISSION ON BOOK PUBLISHING.

ON JUNE 15TH, I ANNOUNCED A NEW INITIATIVE IN ECONOMIC POLICY DEVELOPMENT FOR ONTARIO -- NAMELY, THE ESTABLISHMENT OF A JOINT COMMITTEE ON ECONOMIC POLICY, CONSISTING OF THE INTER-MINISTRY ECONOMIC STUDIES STEERING COMMITTEE OF SENIOR ONTARIO GOVERNMENT OFFICIALS, AND THE PREMIER'S ADVISORY COMMITTEE ON ECONOMIC POLICY, COMPOSED OF DISTINGUISHED REPRESENTATIVES OF BUSINESS, LABOUR AND THE PRIVATE SECTOR. THIS JOINT COMMITTEE WILL HELP THE GOVERNMENT TO DEVELOP A MORE COHESIVE AND CO-ORDINATED SET OF POLICIES AND PROGRAMS TO MAXIMIZE ECONOMIC GROWTH AND EMPLOYMENT OPPORTUNITIES IN ONTARIO.

SIGNIFICANT AMENDMENTS WERE MADE TO THE MUNICIPAL ACT, THE PLANNING ACT, THE REGIONAL MUNICIPAL GRANTS ACT, THE REGIONAL MUNICIPALITY OF NIAGARA ACT, THE REGIONAL MUNICIPALITY OF YORK ACT, THE DISTRICT MUNICIPALITY OF MUSKOKA ACT, AND THE CITY OF THE LAKEHEAD ACT.

A COMMISSION TO REVIEW THE PROCESSES OF THE LEGISLATURE WAS APPOINTED; THE U.S.-CANADA GREAT LAKES ANTI-POLLUTION AGREEMENT WAS SIGNED IN OTTAWA IN APRIL; THE OMNIBUS BILL REORGANIZING THE STRUCTURE OF GOVERNMENT -- BASED ON THE CRONYN COMMITTEE REPORT -- WAS PASSED; AND THE STATUTORY POWERS AND PROCEDURES ACT PROTECTING THE RIGHTS OF THE INDIVIDUAL WITH REGARD TO GOVERNMENT OPERATIONS WAS PROCLAIMED.

OUR OTHER ACCOMPLISHMENTS, BRIEFLY, WERE AS FOLLOWS:

- A NEW COMPREHENSIVE ONTARIO HEALTH INSURANCE PLAN PROVIDING FOR ALL HEALTH SERVICES WAS IMPLEMENTED.
- LEGISLATION WAS INTRODUCED TO IMPLEMENT THE GRANGE REPORT ON HOSPITAL PRIVILEGES, PROVIDING APPEAL MECHANISM FOR PHYSICIANS REFUSED HOSPITAL COURTESY PRIVILEGES.

- EXTENDED HEALTH CARE INSURANCE IN NURSING HOMES AND HOMES FOR THE AGED WAS PROVIDED.
- IMPROVEMENTS IN THE TREATMENT OF THE MENTALLY ILL INCLUDED THE APPOINTMENT OF 325 ADDITIONAL STAFF IN MENTAL RETARDATION SERVICES BRANCH FACILITIES TO RELIEVE UNDERSTAFFING.
- IMPROVEMENTS TO MEDICAL AND DENTAL SERVICES IN REMOTE AREAS WERE MADE BY THE ADDITION OF 9 DENTISTS AND 30 DOCTORS TO BE IN PRACTICE BY THE FALL.
- NEW LEGISLATION WILL PERMIT THE LICENSING AND PRACTICE OF DENTAL TECHNOLOGISTS IN THE HEALTH SERVICES FIELD.
- THERE HAS BEEN REFORM OF THE ONTARIO SCHOOL RECORD SYSTEM, THEREBY MAKING STUDENT RECORDS PRIVILEGED INFORMATION. NEW ONTARIO SCHOOL RECORD CARDS AND INSTRUCTION MANUALS ARE TO BE DISTRIBUTED TO ALL SCHOOLS.
- THE SUMMER EMPLOYMENT PROGRAM WAS EXPANDED THROUGH ALLOCATION OF \$21.4 MILLION TO PROVIDE 18,500 JOBS FOR STUDENTS.
- A \$2 MILLION CONSTRUCTION PROGRAM OF A DOZEN DAY NURSERIES WAS APPROVED UNDER A \$10 MILLION WINTER EMPLOYMENT PROGRAM.

- A TASK FORCE WAS ESTABLISHED TO STUDY DEVELOPMENT OF ONAKAWANA LIGNITE DEPOSITS AND THE PRODUCTION OF THERMAL ELECTRIC POWER FROM THIS SOURCE.
- A COMMISSION OF ENQUIRY INTO THE HYDRO TRANSMISSION LINE FROM NANTICOKE WAS ESTABLISHED.
- A MANPOWER ADJUSTMENT SERVICE WAS SET UP IN THE MINISTRY OF LABOUR TO ASSIST EMPLOYEES IN BEING RELOCATED IN NEW POSITIONS.
- THE HUMAN RIGHTS CODE WAS AMENDED TO PREVENT DISCRIMINATION ON THE BASIS OF SEX OR MARITAL STATUS.
- A FUND WAS ESTABLISHED TO COVER POSSIBLE DAMAGES FROM THE DEEP WELL DISPOSAL OF INDUSTRIAL WASTE.
- AN AGRICULTURAL LAND USE STUDY IS BEING MADE IN SOUTHERN ONTARIO TO PROVIDE GUIDANCE FOR PUBLIC PLANNING WITH RESPECT TO THE PRESERVATION OF FARM LAND FOR FOOD PRODUCTION.
- A \$5 MILLION FUND WAS INTRODUCED FOR SHORT-TERM LOANS TO SMALL AND MEDIUM-SIZED MANUFACTURERS WHO SELL TO FOREIGN MARKETS BUT ARE INELIGIBLE FOR FEDERAL FINANCING.

- PROVINCIAL AID IS BEING EXTENDED TO NORTHERN ONTARIO BROADCASTING COMPANIES TO PROVIDE A SECOND NETWORK OF CANADIAN TELEVISION PROGRAMMING IN THE THUNDER BAY AREA.
- A PUBLIC EDUCATION CAMPAIGN IS UNDER WAY IN LITTER CONTROL, AND A STUDENT PROGRAM IS IN PROGRESS TO LOCATE ABANDONED AUTOMOBILES AND HAVE THEM REMOVED.
- LEGISLATION WAS INTRODUCED TO CONTROL PYRAMID METHODS FOR DISTRIBUTION AND SALE OF COMMODITIES, AS WELL AS LEGISLATION TO PROHIBIT REFERRAL SELLING PRACTICES.

ALSO, A CO-ORDINATING COMMITTEE ON CRIMINAL ACTIVITY WAS ESTABLISHED.

FINALLY, THERE ARE THE THREE NEW SELECT COMMITTEES -- ON THE ONTARIO MUNICIPAL BOARD; DRAINAGE; AND ALL-TERRAIN VEHICLES -- THAT WERE ANNOUNCED TODAY.

ALL OF THESE ACCOMPLISHMENTS CONSTITUTE THE HIGHLIGHTS OF WHAT I CONSIDER TO HAVE BEEN A VERY PRODUCTIVE SESSION TO WHICH MEMBERS ON ALL SIDES OF THE HOUSE HAVE MADE VALUABLE CONTRIBUTIONS.

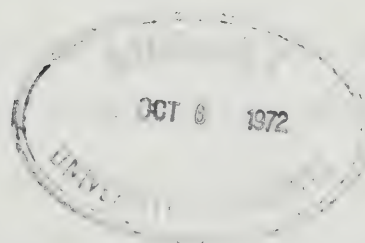
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STATEMENT BY
THE HONOURABLE WILLIAM DAVIS
PREMIER OF ONTARIO

ON GUIDELINES WITH RESPECT
TO CONFLICT OF INTEREST



PARLIAMENT BUILDINGS, TORONTO
THURSDAY, SEPTEMBER 14, 1972.

No matter of public policy has been more complex nor been of greater concern to me, than this question with respect to conflict of interest.

In announcing the guidelines with respect to conflict of interest, I would point out they are broader in scope and far more definitive and precise than any previously enunciated by any comparable jurisdiction, federal or provincial, in Canada or, to my knowledge, anywhere else. It has been the concern of some who have previously studied this matter that strict and stringent provisions in regard to conflict of interest could inhibit or prevent the participation of many citizens in Government. I sincerely hope that this will not be the case in our own province.

In defining these guidelines, I might say at the outset, for the purpose of clarification, that "family" should be taken to mean the spouse of the Minister and minor children, and that the guidelines will apply to present Ministers of the Government and to those appointed in the future, and, further, that any reference to "land" means specifically land in Ontario.

All members of Cabinet will make public disclosure of the following categories of properties owned by them, in whole or in part, or by their spouses, or their minor children, whether directly held by them, or indirectly through companies or nominees.

First, all land owned in Ontario except property occupied for their own private residential or recreational use, or for the use of their dependents; second, all share or debt interests in private companies and land; third, all partnerships or proprietorships in which they are principals.

During the time members of the Cabinet hold office, they will be subject to the following obligations and restrictions:

Except for land acquired for their personal use for residential or recreational purposes, they and their families will be prohibited from purchasing, directly or indirectly, land or interests in land in Ontario, or interests in land development companies carrying on business in Ontario. I am not ruling out the acquisition of farm lands by a colleague farmer where he or his family intend to farm it, nor am I ruling out the private company acquisition of land for normal

business purposes subject, of course, to disclosure as referred to earlier in this statement.

Second, no private company in which a Minister or his family have an interest may become contractually involved with the Government of Ontario.

Third, while holding office, it will be the responsibility of the individual Minister to ensure that whenever a matter involving a personal beneficial interest comes before the ministry for which the Minister is responsible, being a matter involving the discretion of the Government, the Minister will request that a colleague be officially appointed to act for the ministry concerned for the purpose of dealing with that matter.

Fourth, while holding office, Ministers will abstain from day to day participation in any business or professional activity.

Fifth, Ministers will disclose any change in their holdings of any types of property originally disclosed by them.

With respect to share interests in public corporations, Ministers and their families will be required to

divest themselves of such holdings, or, as an alternative, to place all such holdings in the hands of a trustee, provided, in the latter case, that certain conditions are met.

The most important of these conditions is that the trust must provide that, apart from withdrawing funds from the trust or placing additional funds in it, Ministers will exercise no control whatsoever over the investment decisions or management of the trust. All such matters must be left to the discretion of the trustee.

Further, the trustee must be licensed under The Loan and Trust Corporations Act of Ontario.

If a Minister has such a trust presently in existence, and should it be continued, the conditions shall be changed to conform to these guidelines.

Members of the Government will be given reasonable time to comply with these guidelines. Their land holdings will be made available for disclosure within a few days and the disclosure of other holdings, where applicable, will be made within a month.

A Minister desiring to set up a trust, should have established the trust and disclosed its management provision by the end of the year.

All disclosures required of Ministers will be filed with the Clerk of the Legislative Assembly where they will be available for public examination.

I am giving further consideration to this matter as to the possible application of these guidelines to members of the public service holding certain administrative positions. I believe it is necessary, before a determination is made, that further study be given to the question and that there be an opportunity for discussion with those concerned.

I have also given consideration to the matter of conflict of interest as it pertains to the private members of the Legislature. I have requested the Chairman of the Ontario Commission on the Legislature that he and his colleagues examine the question as to its application to private members. Subsequent to the Commission's deliberations and findings, the Legislature itself will be consulted and its decisions will, of course, be the determinant factor.

The guidelines which I have established are not exhaustive, nor could they, in reality, embrace all possible situations representing or suggesting a conflict of interest. The guidelines constitute a precedent, and the determination to impose them is my own.

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STATEMENT BY

THE HONOURABLE WILLIAM G. DAVIS
PREMIER OF ONTARIO

AT A NEWS CONFERENCE TO RELEASE
THE FIRST REPORT OF TASK FORCE HYDRO

TORONTO, NOVEMBER 13TH, 1972.

I AM PLEASED TO RELEASE TODAY THE FIRST OF A SERIES OF REPORTS BY TASK FORCE HYDRO.

AS YOU MAY RECALL, THE NEED FOR ASSURING ADEQUATE ENERGY SUPPLIES IN ONTARIO WAS OUTLINED IN THE SPEECH FROM THE THRONE ON MARCH 30TH, 1971. SINCE THAT TIME, TASK FORCE HYDRO, WORKING UNDER THE AEGIS OF THE COMMITTEE ON GOVERNMENT PRODUCTIVITY, HAS BEEN ENGAGED IN AN ASSESSMENT OF ONTARIO HYDRO, ITS FUNCTION AND STRUCTURE, AND ITS FUTURE RELATIONSHIP TO GOVERNMENT AND TO THE GENERAL PUBLIC.

THIS FIRST REPORT OF TASK FORCE HYDRO CONTAINS 32 RECOMMENDATIONS, WHICH THE ONTARIO CABINET HAS REVIEWED AND IS NOW MAKING PUBLIC FOR DISCUSSION BY ALL INTERESTED PARTIES.

IT IS NOT MY INTENTION TO COMMENT AT THIS TIME ON ALL THE RECOMMENDATIONS. TO DO SO MIGHT PREJUDICE FURTHER TASK FORCE HYDRO REPORTS WHICH ARE TO DEAL WITH SUCH IMPORTANT CONSIDERATIONS AS ORGANIZATION, POWER COSTING, AND FINANCING.

REPORTS WILL ALSO BE FORTHCOMING ON THE NUCLEAR POWER PROGRAM AND ON A "MAKE OR BUY" POLICY.

AS A FIRST STEP, HOWEVER, I CAN SAY THAT THE PROVINCIAL GOVERNMENT SUPPORTS THE DESIGNATION OF ONTARIO HYDRO AS A CROWN CORPORATION. THE CORPORATION IS TO BE RESPONSIBLE FOR RECEIVING POLICY DIRECTION FROM THE GOVERNMENT OF ONTARIO FOR THE ELECTRICAL DELIVERY SYSTEM AS A WHOLE AND, IN CO-OPERATION WITH THE MUNICIPAL ELECTRICAL UTILITIES, FOR THE OPERATION OF THE SYSTEM. THE NEW HYDRO CORPORATION WILL REPORT TO THE LEGISLATURE THROUGH A MINISTER WITHOUT PORTFOLIO WHO IS A MEMBER OF THE RESOURCES DEVELOPMENT POLICY FIELD COMMITTEE OF CABINET. IN KEEPING WITH THE NEW CORPORATE STRUCTURE, ONTARIO HYDRO WILL HAVE A BOARD OF DIRECTORS.

THE GOVERNMENT DOES NOT ACCEPT THE TASK FORCE RECOMMENDATION THAT THERE SHOULD BE CIVIL SERVANTS ON THE HYDRO BOARD. A DECISION AS TO WHETHER OR NOT THE HYDRO BOARD SHOULD INCLUDE A MEMBER OF THE LEGISLATURE WILL BE DEFERRED.

STEPS TO IMPLEMENT THE NEW CORPORATE STRUCTURE WILL BE TAKEN IN THE VERY NEAR FUTURE.

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*Remarks of the Honourable William G. Davis
Premier of Ontario*

REMARKS BY
THE HONOURABLE WILLIAM G. DAVIS
PREMIER OF ONTARIO

MACDONALD BLOCK, QUEEN'S PARK
WEDNESDAY, DECEMBER 6TH, 1972

ONTARIO SPORTS ACHIEVEMENT
AWARDS BANQUET

IT IS A PLEASURE TO WELCOME YOU TO THE
5TH ANNUAL SPORT ACHIEVEMENT AWARD BANQUET.

THESE OCCASIONS PROVIDE THE GOVERNMENT
WITH AN OPPORTUNITY TO PUBLICLY CONGRATULATE OUR
CITIZENS WHO HAVE ACHIEVED ATHLETIC EXCELLENCE
AND THOSE WHO HAVE CONTRIBUTED IN A SIGNIFICANT
WAY TO THE SPORTS PROGRAMS OF THE PROVINCE.

SINCE OUR LAST BANQUET IN MAY OF 1971,
A NUMBER OF MAJOR EVENTS HAVE OCCURRED IN THE
WORLD OF SPORTS. ONE YEAR AGO, MANY OF OUR
YOUNG PEOPLE REPRESENTED CANADA AT THE PAN
AMERICAN GAMES IN CALI, COLUMBIA. THE WINTER
OLYMPIC GAMES WERE HELD IN SAPPORO, JAPAN, AND
THE SUMMER GAMES IN MUNICH, GERMANY.

I HAD THE OPPORTUNITY TO VISIT THESE
LATTER GAMES AND TO MEET MANY OF YOU IN THE
OLYMPIC VILLAGE, AT WHICH TIME I EXTENDED TO
YOU THE CONGRATULATIONS OF OUR CITIZENS ON YOUR
SELECTION TO THE CANADIAN TEAM.

HERE IN ONTARIO WE CONDUCTED, REGIONAL GAMES IN SOME AREAS AS PART OF OUR SUMMER ACTIVITIES. WE ALSO CONTINUED OUR COMPETITIVE SWIMMING AND TRACK AND FIELD DEVELOPMENT PROGRAMS, AND OFFERED DEMONSTRATION PROGRAMS IN A NUMBER OF SPORTS TO SOME OF OUR MORE REMOTE AREAS.

WE ALSO NOTED, ON THE NATIONAL LEVEL, THE PERFORMANCE OF ONTARIO CITIZENS IN CANADIAN CHAMPIONSHIPS, AND THE WORLD CHAMPIONSHIPS WON IN SOME SPORTS BY SUCH OUTSTANDING PERFORMERS AS THE RICHMOND HILL DYNES SOFTBALL TEAM.

IN THE AREA OF SPORTS ADMINISTRATION, THE EXPANDED SERVICES OF SPORT ONTARIO HAVE BEEN RESPONSIBLE FOR IMPROVED COMMUNICATION BETWEEN SPORT GOVERNING BODIES AND HAVE PROVIDED MUCH NEEDED ADMINISTRATIVE SERVICES TO SPORT PROGRAMS. WE RECOGNIZE SPORT ONTARIO BY CONGRATULATING IT ON ITS ACHIEVEMENTS AND INDICATING CONTINUED SUPPORT TO ITS ENDEAVOURS. WHILE THE GOVERNMENT PROVIDES A SIGNIFICANT PERCENTAGE OF THE FUNDS FOR SPORT ONTARIO, WE ARE PLEASED TO SEE THE INITIATIVE TAKEN BY THE ORGANIZATION TO RAISE FUNDS FOR ITSELF

AND FOR ALL ITS AFFILIATED SPORT GROUPS THROUGH PRIVATE FUND RAISING.

WE NOTE, WITH PLEASURE, THE ATTENDANCE OF MR. WENT DANIEL, THE PRESIDENT OF SPORT ONTARIO, AT OUR HEAD TABLE, AS WELL AS THE ATTENDANCE ON THIS OCCASION OF THE EXECUTIVE STAFF, AL BALLINGALL AND ANTON FURLANI.

LAST YEAR AT THIS DINNER I ANNOUNCED THE INSTALLATION OF AN INDOOR TRAINING FACILITY AT THE COLISEUM BUILDING AT LANSDOWNE PARK IN OTTAWA, IN CO-OPERATION WITH THE CITY OF OTTAWA. THIS FACILITY IS SIMILAR TO THE PREVIOUS INSTALLATION AT THE CANADIAN NATIONAL EXHIBITION GROUNDS IN TORONTO.

WHILE DESIGNED PRIMARILY AS A TRAINING FACILITY FOR TRACK AND FIELD, WE HAVE SEEN BOTH OF THE INSTALLATIONS USED FOR A VARIETY OF OTHER SPORTS, SUCH AS JUDO, SOCCER, TEAM HANDBALL, WEIGHTLIFTING, BADMINTON AND SO ON. WE HAVE SEEN THEIR USE EXTENDED FROM WINTER TO YEAR ROUND, AND WITH MAJOR COMPETITIONS TAKING PLACE. WE ARE

EXTREMELY PLEASED AT THE USE BEING MADE OF THE NEW FACILITY IN OTTAWA AND HOPE THAT IT WILL CONTINUE TO BE A CENTRE FOR SPORTS DEVELOPMENT IN THE VALLEY.

OUR SPECIAL SUMMER PROGRAMS IN COMPETITIVE SWIMMING AND TRACK AND FIELD, DEVELOPED IN CO-OPERATION WITH THE APPROPRIATE SPORT GOVERNING BODIES, CONTINUED TO SHOW SIGNIFICANT INCREASES IN PARTICIPATION AND PERFORMANCE.

THE NEXT FEW YEARS WILL SEE A NUMBER OF NATIONAL AND INTERNATIONAL EVENTS IN WHICH OUR ATHLETES WILL PARTICIPATE. IN 1973 THE PROVINCE, ALONG WITH THE FEDERAL GOVERNMENT AND THE MUNICIPALITY OF METROPOLITAN TORONTO, WILL HOST THE PACIFIC CONFERENCE GAMES, AN INTERNATIONAL TRACK AND FIELD MEET FOR COUNTRIES WHICH BORDER ON THE PACIFIC OCEAN. THESE GAMES WILL BE HELD IN THE BOROUGH OF ETOBICOKE.

ALSO IN 1973, THE CANADA SUMMER GAMES WILL BE HELD IN NEW WESTMINSTER-BURNABY, BRITISH COLUMBIA, AND WE WILL BE REPRESENTED THERE BY SOME 215 OF OUR TOP ATHLETES IN 16 SPORTS.

1974 WILL SEE CANADA'S PARTICIPATION IN THE BRITISH COMMONWEALTH GAMES IN NEW ZEALAND, AND IN 1975 WE WILL BECOME INVOLVED IN THE PAN AMERICAN GAMES IN SOUTH AMERICA, THE CANADA WINTER GAMES IN ALBERTA AND THE WORLD STUDENT GAMES. THESE NATIONAL AND INTERNATIONAL EVENTS WILL CULMINATE IN THE 1976 OLYMPIC GAMES AS PART OF THE TWENTY-FIRST OLYMPIAD.

WHILE THE LOCATION OF THE WINTER OLYMPICS APPEARS TO BE SOMEWHAT UNDECIDED AT THIS MOMENT, IT IS REASONABLY CERTAIN THAT THE SUMMER OLYMPICS WILL BE HELD IN MONTREAL, QUEBEC, AS THEIR PRIMARY LOCATION. WE HOPE, HOWEVER, THAT SOME OF THE EVENTS, OR SOME OF THE PRELIMINARY ROUNDS OF THE EVENTS, WILL BE LOCATED IN THIS PROVINCE, INCLUDING THE SAILING COMPETITION AT PORTSMOUTH HARBOUR, KINGSTON.

SO THERE ARE MANY EVENTS TO WHICH WE WHO ARE INTERESTED IN SPORTS CAN LOOK FORWARD IN THE NEXT FOUR YEARS, AND EVEN BEYOND THAT, TO THE HOSTING OF THE 1978 BRITISH COMMONWEALTH GAMES IN EDMONTON, ALBERTA.

BECAUSE OF THESE UPCOMING EVENTS, BECAUSE OF INCREASED PARTICIPATION IN SPORTS PROGRAMS AND BECAUSE OF THE NEED TO STRENGTHEN OUR RESOURCES IN THIS MOST IMPORTANT AREA, I AM PLEASED TONIGHT TO ANNOUNCE SEVERAL NEW INITIATIVES BY MY GOVERNMENT.

AS YOU ARE AWARE, THE GOVERNMENT PRESENTLY SUPPORTS SPORTS DEVELOPMENT IN THIS PROVINCE THROUGH THE BUDGET OF THE YOUTH AND RECREATION BRANCH OF THE MINISTRY OF COMMUNITY AND SOCIAL SERVICES. THE EXISTING FUNDING POLICY TO PROVINCIAL SPORTS GOVERNING BODIES PROVIDES GRANTS FOR LEADERSHIP DEVELOPMENT, EXECUTIVE PLANNING AND COMPETITOR DEVELOPMENT. WE INTEND, IN THE 1973-74 FISCAL YEAR, TO INCREASE THE APPROPRIATION UNDER THIS ITEM TO PROVIDE MORE FUNDS TO THE PROVINCIAL SPORTS GOVERNING BODIES FOR THESE PURPOSES.

IN THIS WAY, THE VARIOUS SPORTS ASSOCIATIONS WILL BE ABLE TO ENCOURAGE MORE PARTICIPATION IN THEIR ACTIVITIES, DEVELOP A PROVINCE-WIDE PROGRAM, TRAIN EXISTING LEADERSHIP, DEVELOP NEW LEADERSHIP AND ENSURE THAT COMPETITIVE EXPERIENCES ARE AVAILABLE FOR THE TOP ATHLETES.

IN THIS REGARD, TOO, WE ARE PREPARED TO SET ASIDE A SUM OF MONEY TO ENABLE OUTSTANDING ATHLETES AND TEAMS TO TRAVEL TO NATIONAL AND INTERNATIONAL CHAMPIONSHIPS, AND TO PROVIDE FUNDS FOR OUR TOP PERFORMERS TO TRAVEL TO MEETS, BOTH WITHIN AND OUTSIDE CANADA, WHICH WILL ASSIST WITH THEIR DEVELOPMENT. I REFER HERE, NOT TO THE INVITATIONAL "GOODWILL" TOURS IN SOME SPORTS, BUT RATHER TO SANCTIONED, BONA FIDE COMPETITIONS.

OUR PRESENT POLICY ALSO PROVIDES, AT THIS TIME, FINANCIAL ASSISTANCE TO PROVINCIAL SPORTS GOVERNING BODIES TOWARD THE SALARIES OF FULL-TIME ADMINISTRATIVE AND LEADERSHIP PERSONNEL. THERE ARE 13 SPORTS WHICH NOW HAVE FULL-TIME EXECUTIVE DIRECTORS AND 5 OF THESE ALSO HAVE TECHNICAL DIRECTORS. THE ROLE OF THE EXECUTIVE

DIRECTOR IS TO ADMINISTER THE AFFAIRS OF THE ASSOCIATION IN A BUSINESS-LIKE WAY, THUS FREEING THE GREAT POTENTIAL OF VOLUNTEER EFFORT INTO THE AREAS OF PROGRAM EXPANSION. THE TECHNICAL DIRECTOR, ON THE OTHER HAND, IS RESPONSIBLE FOR THE DEVELOPMENT AND TRAINING OF LEADERS AND THE DEVELOPMENT OF COACHES ACROSS THE PROVINCE. WE INTEND TO INCREASE THE FUNDS FOR THIS PURPOSE SO THAT MORE SPORTS CAN HIRE THESE FULL-TIME PERSONNEL AND THUS ENSURE GREATER DEVELOPMENT AND MORE LOGICAL GROWTH.

IN 1970 THE FIRST PROVINCE OF ONTARIO WINTER GAMES WERE HELD IN THE BOROUGH OF ETOBICOKE. SOME 35,000 ATHLETES COMPETED IN REGIONAL COMPETITIONS AND 1200 OF THESE WERE BROUGHT TO ETOBICOKE FOR THE PROVINCIAL FINALS. TWO HUNDRED OF THESE YOUNG PEOPLE WERE THEN SELECTED TO REPRESENT THIS PROVINCE IN THE 1971 CANADA WINTER GAMES IN SASKATOON, WHERE THEY WERE AGAIN SUCCESSFUL IN EMERGING AS NATIONAL CHAMPIONS IN THE GAMES.

THE SUCCESS OF THESE GAMES, THEN, LEADS ME TO ANNOUNCE THAT WE WILL BE HOSTING THE FIRST PROVINCE OF ONTARIO SUMMER GAMES ON JUNE 30TH AND JULY 1ST, AND 2ND, 1973, AND THE CITY OF OSHAWA HAS BEEN SELECTED AS THE SITE FOR THESE GAMES. WE NOTE THE PRESENCE HERE TONIGHT OF MAYOR EDWARD MCNEELEY WHO ASSISTED US IN OUR PRELIMINARY PLANNING, AND CHARLES MCILVEEN, THE MEMBER FOR OSHAWA, WHO HAS INDICATED HIS INTEREST IN, AND SUPPORT OF, THIS PROJECT.

THE GAMES WILL BE ORGANIZED BY THE PROVINCIAL SPORTS GOVERNING BODIES, ALONG WITH STAFF MEMBERS OF THE YOUTH AND RECREATION BRANCH AND THE RECREATION DEPARTMENT OF THE CITY OF OSHAWA, REPRESENTED HERE BY WENDELL BREWSTER, THE DIRECTOR OF RECREATION FOR THE CITY.

THE CHAMPIONS IN THE EVENTS OF THE PROVINCE OF ONTARIO SUMMER GAMES WILL, THEN, BE SELECTED TO REPRESENT THIS PROVINCE AT THE CANADA SUMMER GAMES WHICH TAKE PLACE, AS I HAVE NOTED, IN BRITISH COLUMBIA FROM AUGUST 2 TO 14.

I INDICATED EARLIER THAT WE HAD, LAST SUMMER, DEVELOPED A NUMBER OF COMMITTEES THROUGHOUT THE PROVINCE TO ASCERTAIN THE NEEDS OF SPORTS DEVELOPMENT IN THEIR GEOGRAPHIC AREA. MANY HAVE TAKEN ACTION ON SUCH THINGS AS COMPETITIONS, CLINICS AND LEADERSHIP TRAINING PROGRAMS. WE INTEND TO CONTINUE THE DEVELOPMENT OF THESE REGIONAL GROUPINGS DURING THE NEXT YEAR AND TO PROVIDE MORE ADEQUATE RESOURCES SO THAT THE NEEDS OF THEIR AREAS CAN BE MET.

THIS, IN OUR OPINION, WILL PERMIT REGIONAL DEVELOPMENT CONSISTENT WITH REGIONAL INTERESTS AND WILL ELIMINATE CENTRALIZED DECISION MAKING. IT IS OUR HOPE THAT SOME OF THE MORE ACTIVE AREAS WILL ORGANIZE REGIONAL COMPETITIONS IN ORDER THAT BROAD PROVINCIAL REPRESENTATION FOR THE PROVINCE OF ONTARIO GAMES CAN BE ASSURED.

THIS PAST SUMMER WE CONDUCTED A SURVEY OF COACHES IN THIS PROVINCE AND HAVE CONCLUDED THAT MORE THAN 100,000 MEN AND WOMEN ARE INVOLVED IN SOME ASPECT OF SPORTS LEADERSHIP. WE RECOGNIZE THE NEED FOR TRAINED LEADERSHIP FOR OUR SPORT PROGRAMS AND WILL, DURING THE NEXT FISCAL YEAR, ACCELERATE OUR EFFORTS IN THIS DIRECTION TO PROVIDE RESOURCE PACKAGES TO COACHES

OF SPORT PROGRAMS, WHICH WILL ENCOURAGE THEM TO INCREASE THEIR COMPETENCE AND TO LEARN MORE ABOUT THE PSYCHOLOGICAL AND SOCIOLOGICAL ASPECTS OF ATHLETIC PARTICIPATION.

EVENTUALLY, IN CO-OPERATION WITH THE COACHES ASSOCIATION OF CANADA, WE ANTICIPATE THE CERTIFICATION OF QUALIFIED PERSONNEL AS LEADERS AND INSTRUCTORS IN OUR PROVINCIAL PROGRAMS. WE WILL ALSO BE PROVIDING -- IN CO-OPERATION WITH THE SPORTS GOVERNING BODIES, REGIONAL ASSOCIATIONS AND COMMUNITY GROUPS -- INCREASED OPPORTUNITIES FOR LEADERSHIP TRAINING PROGRAMS FOR COACHES, MANAGERS, OFFICIALS AND ADMINISTRATORS, SO THAT OUR PROGRAMS CAN CONTINUE TO GROW IN NUMBER AND IN QUALITY.

THE SUCCESS OF THE INSTALLATIONS AT THE CANADIAN NATIONAL EXHIBITION IN TORONTO, AND LANSDOWNE PARK IN OTTAWA, HAVE LED US TO CONCLUDE THAT SIMILAR FACILITIES SHOULD BE DEVELOPED ELSEWHERE IN THE PROVINCE. THESE TRAINING CENTRES FOR A VARIETY OF SPORTS ENSURE YEAR-ROUND AVAILABILITY OF HIGH QUALITY FACILITIES AND WE INTEND TO PROVIDE A SIMILAR INSTALLATION IN THUNDER BAY. NEGOTIATIONS ARE NOW UNDERWAY TO DETERMINE THE MOST USEFUL AND ACCESSIBLE SITE IN THAT CITY. SIMILAR INSTALLATIONS ARE BEING CONSIDERED FOR OTHER AREAS OF THE PROVINCE IN THE FUTURE.

WE HAVE, IN THE PAST FEW YEARS, OFFERED, IN CO-OPERATION WITH PROVINCIAL BODIES, SPECIAL SUMMER PROGRAMS IN COMPETITIVE SWIMMING AND TRACK AND FIELD TO PROVIDE AN ADDITIONAL ACTIVITY IN WHICH YOUNG PEOPLE CAN PARTICIPATE, AND TO PROVIDE THE OPPORTUNITY FOR ATHLETES OF POTENTIAL TO RECEIVE COACHING, TRAINING AND ENGAGE IN COMPETITION.

IN THIS COMING SUMMER WE INTEND TO CONTINUE WITH THOSE PROGRAMS AND TO OFFER SIMILAR SUPPORT TO OTHER SPORTS GOVERNING BODIES FOR THE SAME PURPOSES. I AM INFORMED THAT OVER 5,000 YOUNG PEOPLE FROM 75 COMMUNITIES PARTICIPATED IN THE SWIMMING PROGRAM THIS PAST SUMMER AND IN EXCESS OF 4,000 FROM 60 COMMUNITIES WERE INVOLVED IN TRACK AND FIELD. IT IS ANTICIPATED THAT THROUGH THE FUNDS AVAILABLE FOR JUNIOR DEVELOPMENT ACTIVITIES, THE NUMBER OF SPORTS AND THE NUMBER OF PARTICIPANTS WILL BE GREATLY INCREASED.

FINALLY, WE INTEND TO CONTINUE TO DEVELOP A RESOURCE CENTRE FOR SPORTS THAT WILL INCLUDE IN IT THE LATEST WRITTEN AND AUDIO-VISUAL MATERIALS SO THAT COACHES AND MANAGERS WILL HAVE ACCESS TO THE MOST MODERN AND UP-TO-DATE INFORMATION AVAILABLE ON THEIR PARTICULAR SPORT.

WE ARE CERTAIN THAT, WITH THESE NEW ACTIVITIES AND SERVICES OFFERED BY THE GOVERNMENT, THE SPORT PROGRAMS IN THIS PROVINCE WILL CONTINUE TO GROW IN BOTH QUALITY AND QUANTITY AND WILL MORE ADEQUATELY MEET THE NEEDS OF THE RECREATIONAL PARTICIPANT AND THE ATHLETE OF EXCELLENCE.

BEFORE WE MOVE ON TO GRANT THE AWARDS, I DO WISH TO PAY PUBLIC TRIBUTE TO THE MANY THOUSANDS OF MEN AND WOMEN, BOTH OLD AND YOUNG, WHO GIVE OF THEIR TIME FREELY AND WITHOUT RENUMERATION, TO ACT AS COACHES, MANAGERS, OFFICIALS AND ADMINISTRATORS IN OUR SPORTS PROGRAMS. WITHOUT THE INTEREST DEDICATION AND COMMITMENT OF THESE PEOPLE, OUR PROGRAMS COULD NOT BE OFFERED.

TONIGHT WE HONOUR THREE GROUPS FROM OUR SPORT COMMUNITY: THOSE WAS ARE PROVINCIAL CHAMPIONS; THOSE WHO ARE CANADIAN AND INTERNATIONAL CHAMPIONS; AND THE COACHES, MANAGERS AND OFFICIALS WHO INSPIRE AND ASSIST OUR SPORTSMEN AND SPORTSWOMEN.

SCROLLS, ACCOMPANIED BY A LETTER FROM MYSELF, HAVE BEEN SENT TO EACH RESIDENT OF ONTARIO WHO, AS AN INDIVIDUAL, OR AS A MEMBER OF A TEAM, WON AN ONTARIO CHAMPIONSHIP DURING 1971. FOUR THOUSAND INDIVIDUALS ARE ELIGIBLE FOR THIS AWARD. IN ITSELF THIS NUMBER TESTIFIES TO THE IMPORTANCE OF PHYSICAL RECREATION PROGRAMS IN OUR SOCIETY.

HERE WITH US TONIGHT ARE THOSE WHO HAVE WON NATIONAL AND INTERNATIONAL CHAMPIONSHIPS IN THEIR FIELD OF ATHLETIC ENDEAVOUR. BECAUSE OF SPACE LIMITATIONS, THOSE WHO ARE WITH US ARE SELECTED INDIVIDUALS WHO REPRESENT MEMBERS OF THEIR TEAMS, AS WELL AS THOSE WHO, IN INDIVIDUAL SPORTS, HAVE ACHIEVED THIS DEGREE OF EXCELLENCE. LATER IN THIS PROGRAM THEY WILL BE PRESENTED WITH SCROLLS AND PINS IN RECOGNITION OF THEIR ACHIEVEMENTS, BUT I WANT TO INFORM YOU NOW THAT THOSE GATHERED HERE REPRESENT 888 SPORTSMEN AND SPORTSWOMEN WHO HAVE WON A CANADIAN OR INTERNATIONAL CHAMPIONSHIP. THIS NUMBER CLEARLY INDICATES THE QUALITY OF OUR ATHLETES.

SPECIAL ACHIEVEMENT AWARDS ARE ALSO TO BE PRESENTED TO THOSE WHO HAVE MADE OUTSTANDING CONTRIBUTIONS TO SPORT AS COACHES, MANAGERS, OFFICIALS, EXECUTIVES AND ORGANIZERS. MOST OF THESE RECIPIENTS HAVE BEEN SELECTED BY THEIR PROVINCIAL SPORTS GOVERNING BODY AS WORTHY OF THIS HIGH AWARD.

THE GOVERNMENT OF ONTARIO RECOGNIZES THAT ENORMOUS EFFORT, MOST OF IT OF A VOLUNTARY NATURE, IS NECESSARY TO ORGANIZE THE EXCELLENT SPORTS PROGRAMS WE HAVE IN THIS PROVINCE. THE INTENT OF THIS THIRD AWARD IS TO PUBLICLY EXTEND APPRECIATION AND CONGRATULATIONS TO THOSE WHO WORK DILIGENTLY SO THAT OTHERS CAN PARTICIPATE FOR ENJOYMENT AND ACHIEVE THEIR ATHLETIC POTENTIAL.

ON BEHALF OF THE PEOPLE AND GOVERNMENT OF ONTARIO, I SALUTE ALL OF YOU AND CONGRATULATE YOU FOR YOUR ACCOMPLISHMENTS. WE ARE PLEASED TO HAVE THIS OPPORTUNITY TO PAY TO YOU THIS PUBLIC ACCOLADE.

- 16 -

I WILL NOW CALL ON THE DIRECTOR OF THE
YOUTH AND RECREATION BRANCH, MR. BOB SECORD, TO
READ THE CITATIONS OF THE SPECIAL AWARD WINNERS.

- 30 -

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PM
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REMARKS BY
THE HONOURABLE WILLIAM G. DAVIS
PREMIER OF ONTARIO



TUESDAY, MARCH 6TH, 1973
ROYAL YORK HOTEL, TORONTO

64TH JOINT CONVENTION
OF THE
ONTARIO MUNICIPAL ELECTRIC ASSOCIATION
AND THE
ASSOCIATION OF MUNICIPAL ELECTRIC UTILITIES (OF ONTARIO)

I WOULD LIKE TO OFFER A FEW COMMENTS TODAY ON WHAT I SEE AS BEING THE FUTURE ROLE OF MUNICIPAL ELECTRICAL UTILITIES IN THE PROVINCE. IN DOING SO, MY OBSERVATIONS WILL NECESSARILY BE MADE IN THE LIGHT OF YOUR OWN EXPRESSED CONCERNS IN THIS AREA, AS WELL AS IN THE LIGHT OF RECOMMENDATIONS THAT ARE BEING MADE TO THE GOVERNMENT BY TASK FORCE HYDRO AND OUR RESPONSE, THUS FAR, TO THOSE RECOMMENDATIONS.

FIRST, HOWEVER, I'LL ATTEMPT TO PUT THOSE MATTERS THAT ARE OF SINGULAR CONCERN TO THIS AUDIENCE INTO SOME SORT OF OVERALL CONTEXT AND PERHAPS AFFORD YOU THE BROADER PERSPECTIVE THAT GOVERNMENT HAS TO TAKE IN DEALING WITH ALL THE SOCIAL AND ECONOMIC ISSUES THAT COME BEFORE IT. WE NEED THIS PERSPECTIVE IF WE ARE TO SET PRIORITIES IN SUCH A WAY THAT TODAY'S DECISION WILL BE MADE NOT ONLY WITH AN EYE TO TODAY'S PROBLEM AND ITS SWIFT SOLUTION, BUT IN ANTICIPATION OF FUTURE PROBLEMS AS WELL.

AS YOU CAN IMAGINE, THIS IS NO EASY TASK. AMONG OTHER THINGS, IT CALLS ON THE GOVERNMENT TO VIEW THE STATUS QUO AS BEING A STATE OF AFFAIRS OF LIMITED DURATION. HISTORICALLY, THIS HAS PROVEN TO BE A VERY SOUND APPROACH, SINCE EVERY SOCIETY UNDERGOES A SERIES OF CHANGES IN THE COURSE OF ITS EVOLUTION.

IN PRACTICE, HOWEVER, THERE HAS BEEN A TENDENCY ON THE PART OF THOSE WHO GOVERN AND THOSE WHO ARE GOVERNED TO VIEW THE STATUS QUO AS BEING SOMETHING THAT IS GOING TO BE AROUND FOREVER, AND SOMETIMES EVEN ACCORDING IT A FORM OF WORSHIP. OVER THE CENTURIES THIS ATTITUDE -- UNDERSTANDABLE THOUGH IT MAY BE, SINCE WE ALL FIND SOLACE IN THE COMFORTABLE AND THE FAMILIAR -- HAS LED MANY SOCIETIES TO A SERIES OF CRISIS POINTS IN THEIR DEVELOPMENT.

IN THE PUBLIC SECTOR IT HAS SEEN THE DEVELOPMENT OF WHAT I MIGHT TERM "REACTIVE GOVERNMENT" IN COUNTLESS JURISDICTIONS -- THAT IS, GOVERNMENTS SUDDENLY SCRAMBLING TO CATCH UP WITH THE VARIOUS SOCIAL AND ECONOMIC FORCES THAT HAVE RESHAPED THE CONSTITUENCIES OVER WHICH THEY PRESIDE.

I HAVE SAID RECENTLY ON SEVERAL OTHER OCCASIONS THAT WE AS A GOVERNMENT WEREN'T ELECTED TO REACT, WE WERE ELECTED TO PROVIDE LEADERSHIP. I WOULD DEFINE LEADERSHIP IN THE NINETEEN SEVENTIES AS BEING THE RESPONSIBILITY OF GOVERNMENT TO ANTICIPATE SOCIAL AND ECONOMIC CHANGE, AND THEN TO

USE ALL THE RESOURCES OF GOVERNMENT IN CLEARING THE PATH AHEAD, SO THAT WHEN SOCIETY AND ITS PEOPLE HAVE TO MAKE THE JOURNEY FROM ONE SET OF CIRCUMSTANCES TO ANOTHER, THE PASSAGE CAN BE MADE WITH THE MINIMUM OF DISRUPTION AND THE MAXIMUM OF PREPAREDNESS.

YOU WILL NOTICE THAT IN SPEAKING OF DISRUPTION, I SAID "MINIMUM," WHICH SUGGESTS THAT THERE WILL INDEED BE SOME DISRUPTION. AND THERE WILL. ANY CHANGE, ANY SHIFT, NECESSARILY INVOLVES A DEGREE OF DISRUPTION, BUT INSOFAR AS GOVERNMENT IS INVOLVED IN THIS PROCESS OF CHANGE, THE OBJECTIVE MUST BE TO KEEP THE DISRUPTIVE ELEMENT TO A MINIMUM. VARIOUS PEOPLE AND INSTITUTIONS TO BE AFFECTED BY CHANGE NATURALLY ADVANCE DIFFERING VIEWS AS TO HOW THIS CAN BE ACHIEVED, AND GOVERNMENT MUST HAVE THE CAPACITY TO SEE ALL SIDES OF A SUBJECT AND WEIGH ALL POSSIBILITIES BEFORE MAKING A FINAL DECISION.

I SHOULD ADD HERE THAT THE ONTARIO GOVERNMENT HAS ALREADY SUBMITTED ITSELF TO THE RIGOURS OF RE-ORGANIZATION AND CHANGE, AND A NUMBER OF MUNICIPALITIES HAVE ALSO BEEN RESTRUCTURED IN VARIOUS PARTS OF THE PROVINCE IN THE COURSE OF ESTABLISHING REGIONAL GOVERNMENT. IN THE CASE OF THE ONTARIO GOVERNMENT, THE RESTRUCTURING WAS DONE ON THE ADVICE OF THE GOVERNMENT-APPOINTED COMMITTEE ON GOVERNMENT PRODUCTIVITY, OTHERWISE KNOWN AS THE CRONYN REPORT.

THIS WAS A MASSIVE, HISTORIC, UNPRECEDENTED UNDERTAKING THAT IS TAKING MANY MONTHS TO IMPLEMENT, BUT FROM WHICH THE FORECAST BENEFITS ARE NOW BEGINNING TO MATERIALIZE. AS YOU CAN IMAGINE, THERE WAS MOST DEFINITELY AN ELEMENT OF DISRUPTION INVOLVED IN AN OPERATION OF THIS MAGNITUDE. VIEWED FROM THE TOTAL PERSPECTIVE, IT WAS MINIMAL; BUT I WOULD HAVE TO SAY THAT ON THE INDIVIDUAL LEVEL IT WAS FELT VERY KEENLY BY MANY CIVIL SERVANTS AND MEMBERS OF THE CABINET. THEY CO-OPERATED, NONETHELESS; AND I WOULD NOT BE SURPRISED TO SEE OTHER JURISDICTIONS FOLLOWING OUR LEAD, NOW THAT THEY HAVE WITNESSED THE EXAMPLE OF ONE OF THE OLDEST AND LARGEST GOVERNMENTAL STRUCTURES IN CANADA UNDERGOING INTRICATE SURGERY AND EMERGING FROM THE OPERATING ROOM HEALTHIER THAN EVER.

AS YOU KNOW, C.O.G.P. EXAMINED NOT ONLY THE CAPABILITY OF GOVERNMENT ORGANIZATION PER SE TO COPE WITH FUTURE CHALLENGES, BUT ALSO THAT OF GOVERNMENT AGENCIES AND COMMISSIONS. OF THE LATTER, OF COURSE, THE LARGEST WAS ONTARIO HYDRO, AND C.O.G.P. RECOMMENDED THE ESTABLISHMENT OF TASK FORCE HYDRO TO TAKE A LOOK AT HYDRO'S OPERATIONS, IN THE SAME SPIRIT AND WITH THE SAME OBJECTIVE THAT C.O.G.P. HAD TAKEN A LOOK AT GOVERNMENT'S. IMPLICIT IN SUCH A REVIEW, BECAUSE OF THE SPECIAL RELATIONSHIP BETWEEN HYDRO AND THE MUNICIPAL UTILITIES, WAS A DETERMINATION OF YOUR FUTURE ROLE AT THE LOCAL LEVEL.

IT WOULD PROBABLY BE USEFUL AT THIS POINT TO UNDERSCORE A FACT THAT IS OFTEN OVERLOOKED WHEN A ROYAL COMMISSION OR A TASK FORCE ISSUES A REPORT OR SERIES OF REPORTS: NAMELY, THAT THE RECOMMENDATIONS ADVANCED DO NOT AUTOMATICALLY BECOME GOVERNMENT POLICY.

INDEED, I FIND IT SOMEWHAT IRONIC, YET AT THE SAME TIME HEARTENING, TO BE STANDING HERE OFFERING THIS CAUTIONARY WORD WHEN ANY STUDENT OF CANADIAN HISTORY WILL ATTEST TO THE FACT THAT THE ARCHIVES ARE BULGING WITH SIMILAR REPORTS THAT WERE NEVER ACTED UPON. ALL I CAN SAY IS THAT WHEN THIS GOVERNMENT APPOINTS A ROYAL COMMISSION OR A TASK FORCE, IT DOES SO WITH A VIEW TO OBTAINING INFORMATION AND RECOMMENDATIONS UPON WHICH POSITIVE ACTION CAN BE BASED, RATHER THAN AS A PRETENSE AT GREAT ACTIVITY AND CONCERN THAT MAY ULTIMATELY SIGNIFY NOTHING.

AS ITS NAME IMPLIES, TASK FORCE HYDRO WAS APPOINTED TO REVIEW ALL THOSE MATTERS THAT BEAR ON THE QUESTION OF ELECTRICITY AS A SOURCE OF ENERGY IN ONTARIO. ITS STATED OBJECTIVES ARE TO MAKE RECOMMENDATIONS AS TO THE FUTURE ROLE OF ONTARIO HYDRO; TO DEFINE THE PLACE OF ONTARIO HYDRO VIS-A-VIS THE ONTARIO GOVERNMENT, OTHER JURISDICTIONS AND THE ONTARIO COMMUNITY AS A WHOLE; AND TO RECOMMEND APPROPRIATE OBJECTIVES FOR ONTARIO HYDRO IN ITS FUTURE ROLE.

AS YOU KNOW, WHEN ONTARIO HYDRO WAS CREATED IN 1906, ELECTRICAL POWER WAS THE DOMINANT SOURCE OF ENERGY IN THIS PROVINCE AND IT CONTINUES TO PLAY A VITAL PART IN OUR DEVELOPMENT. IN RECENT YEARS, HOWEVER, OTHER FORMS OF ENERGY HAVE APPEARED ON THE SCENE AND THEY, TOO, NOW OCCUPY A SIGNIFICANT SECTION OF THE OVERALL ENERGY PICTURE. LOOKING TO THE FUTURE, THE USE AND APPORTIONMENT OF THESE VARIOUS ENERGY SOURCES, INCLUDING THAT OF ELECTRICAL POWER, IS A MATTER THAT MUST CONCERN ALL GOVERNMENTS.

ACCORDINGLY, AT APPROXIMATELY THE SAME TIME WE ESTABLISHED TASK FORCE HYDRO, WE ALSO SET UP THE ADVISORY COMMITTEE ON ENERGY TO LOOK AT ONTARIO'S TOTAL ENERGY NEEDS AND TO REPORT ON ENERGY POLICY. AMONG OTHER THINGS, THE ADVISORY COMMITTEE, WHICH RECENTLY SUBMITTED A MAJOR REPORT, WAS CHARGED WITH THE RESPONSIBILITY OF EXAMINING THE RELATIONSHIP THAT EACH SOURCE OF ENERGY HAS TO THE OTHERS AND THE IMPLICATIONS INHERENT IN THE VARYING DEGREES OF DEMAND FOR ONE FORM OR ANOTHER.

ALL OF THESE REPORTS, AND REPORTS YET TO COME, WILL ASSIST THE GOVERNMENT IN DRAWING UP AN ENERGY POLICY FOR ONTARIO. ANY SUCH POLICY, OF COURSE, WILL HAVE TO BE IN CONCERT WITH A NATIONAL ENERGY POLICY, AND I HOPE THAT THROUGH CONSULTATION WITH THE FEDERAL AUTHORITIES AND OTHER PROVINCES THIS CAN BE ACHIEVED IN A HARMONIOUS AND EXPEDITIOUS MANNER.

THE NEED FOR A NATIONAL ENERGY POLICY IS A MATTER OF SOME URGENCY, ESPECIALLY IN THE LIGHT OF THE ENERGY CRISIS IN THE UNITED STATES. WHILE THE U.S. STILL HAS AMPLE RESOURCES, EACH TON OF COAL, EACH BARREL OF OIL COMES HARDER AND AT GREATER COST. AS FORMER U.S. SECRETARY OF COMMERCE PETER PETERSON PUT IT: "POPEYE IS RUNNING OUT OF CHEAP SPINACH."

THE DEBATE HAS ALREADY BEGUN IN THIS COUNTRY AS TO WHAT EXTENT AND UNDER WHAT CONDITIONS WE SHOULD BE PREPARED TO EXPORT OUR ENERGY RESOURCES TO THE UNITED STATES WITHOUT DEPLETING RESERVES THAT WILL BE NEEDED FOR FUTURE DOMESTIC USE AND WITHOUT ALLOWING ANY EROSION OF SOVEREIGNTY OVER OUR RESOURCES TO OCCUR. THE ANSWERS TO THESE QUESTIONS WILL OBVIOUSLY FORM A VERY IMPORTANT PART OF ANY NATIONAL ENERGY POLICY.

IN ANY EVENT, ALL OF THESE THINGS I'VE MENTIONED CONSTITUTE THE FRAMEWORK WITHIN WHICH THE PROVINCIAL GOVERNMENT HAS TO VIEW THE RECOMMENDATIONS OF TASK FORCE HYDRO AND THE IMPLICATIONS THOSE RECOMMENDATIONS HOLD FOR MUNICIPAL ELECTRICAL UTILITIES.

I SHOULD POINT OUT THAT TASK FORCE HYDRO HAS WORKED CLOSELY WITH THE DIRECTORS OF THE AMEU AND THE DIRECTORS OF THE OMEA THROUGHOUT ITS STUDY. INDEED, THE OMEA HAVE BEEN REPRESENTED ON THE STEERING COMMITTEE BY MR. ANDREW FRAME, WHO, AT TASK FORCE HYDRO'S INCEPTION, WAS PRESIDENT OF THE ASSOCIATION. ON THE BASIS OF FREQUENT DISCUSSIONS AND BRIEFS SUBMITTED TO ME BY THE OMEA IN RESPONSE TO TASK FORCE HYDRO'S FIRST INTERIM REPORT, I GOT THE IMPRESSION THAT THERE ARE A NUMBER OF FUNDAMENTAL ISSUES UPON WHICH TASK FORCE HYDRO AND THE OMEA ARE IN ESSENTIAL AGREEMENT.

THIS IMPRESSION WAS FURTHER BORNE OUT BY MR. FRAME, WHO, IN HIS LETTER OF DISSENT APPENDED TO TASK FORCE HYDRO'S FIRST REPORT, INDICATED THAT HE AGREED WITH AND SUPPORTED THE OVERALL REPORT DESPITE THE FACT THAT HE DISAGREED WITH SOME OF ITS RECOMMENDATIONS.

WHEN REPORT NUMBER ONE WAS MADE PUBLIC LAST NOVEMBER, I DEFERRED JUDGMENT ON MOST OF THE RECOMMENDATIONS TO ALLOW FOR DISCUSSION BY ALL INTERESTED PARTIES. I DID, HOWEVER, ON THAT DAY REJECT THE IDEA OF HAVING TWO CIVIL SERVANTS ON THE BOARD OF THE PROPOSED HYDRO CORPORATION.

I THINK I SHOULD TAKE THIS OPPORTUNITY TO CLARIFY CERTAIN OTHER CONCERNS THAT HAVE COME TO MY ATTENTION SINCE THE RELEASE OF REPORTS NUMBERS ONE AND TWO. IN THE AREA OF OWNERSHIP AND CONTROL, FOR EXAMPLE, IT HAS BEEN SUGGESTED THAT THE PROPOSALS TO TURN HYDRO INTO A CROWN CORPORATION WOULD CONSTITUTE A "TAKE OVER" OF MUNICIPAL ELECTRICITY SYSTEMS, AND THAT TASK FORCE HYDRO SEEKS TO REMOVE THE AUTHORITY OF LOCAL ELECTRIC COMMISSIONS IN DISTRIBUTING ELECTRIC POWER.

WELL, I SUGGEST THAT IN NO WAY DO THE TASK FORCE RECOMMENDATIONS IMPLY A "TAKE OVER" OF THE MUNICIPAL UTILITIES -- THEY WOULD REMAIN AS THEY ALWAYS HAVE BEEN, SEPARATE CORPORATE ENTITIES COLLABORATING WITH ONTARIO HYDRO IN ACCORDANCE WITH THE TERMS OF CONTRACTS WHICH ARE BILATERAL AGREEMENTS DEFINING THE CONDITIONS UNDER WHICH ELECTRICITY IS TO BE SUPPLIED BY HYDRO. AUTHORITY FOR DISTRIBUTION IN THEIR DEFINED AREA WOULD REMAIN WITH THE UTILITIES.

IF THE TERM "TAKE OVER" IS TO BE EQUATED WITH RESPONSIBILITY FOR THE TOTAL SYSTEM, THEN THE SO-CALLED TAKE OVER HAS LONG SINCE BEEN ENSHRINED IN LEGISLATION UNDER THE POWER COMMISSION ACT, WHICH EXPLICITLY STATES THAT RESPONSIBILITY FOR THE TOTAL SYSTEM RESTS WITH HYDRO.

NONETHELESS, IN THE FACE OF THIS CLEAR STATEMENT OF RESPONSIBILITY, THE MUNICIPAL UTILITIES HAVE IN FACT WORKED CO-OPERATIVELY WITH THE COMMISSION WITHIN THE TOTAL DELIVERY SYSTEM. I THINK TASK FORCE HYDRO HAS RECOGNIZED THE IMPORTANCE OF THIS RELATIONSHIP AND RECOMMENDS THAT IT BE PRESERVED.

CONCERNING THE OWNERSHIP OF HYDRO, ONE LINE OF THOUGHT SUGGESTS THAT HYDRO IS CO-OPERATIVELY OWNED BY THE MUNICIPAL ELECTRICAL UTILITIES AND THAT THE INDIVIDUAL CUSTOMER OF ELECTRICITY IS A SHAREHOLDER. THE OTHER LINE OF THOUGHT -- AND THE ONE WHICH TASK FORCE HYDRO, AFTER SUBSTANTIAL INVESTIGATION, FELT TO MORE REALISTICALLY REFLECT THE SITUATION -- SUGGESTS THAT ONTARIO HYDRO IS AN AGENCY OF THE PROVINCIAL GOVERNMENT, WITH OWNERSHIP BEING VESTED IN THE PUBLIC AT LARGE; MOREOVER, CONTROL OVER IT SHOULD BE EXERCISED THROUGH THE LEGISLATURE.

I THINK THE POWER COMMISSION ACT, ESTABLISHING ONTARIO HYDRO, TENDS TO SUBSTANTIATE THIS LAST LINE OF THOUGHT. INDEED, THE WHOLE BASIS ON WHICH CAPITAL EXPANSION HAS BEEN FINANCED THROUGH PROVINCIAL GOVERNMENT GUARANTEES OF HYDRO BONDS WOULD ARGUE THAT CONTROL DOES AND SHOULD LIE WITH THE LEGISLATURE.

NOW THIS IS NOT TO SAY THAT MUNICIPAL UTILITIES DO NOT HAVE SOME FINANCIAL STAKE IN HYDRO. THIS WAS RECOGNIZED BY TASK FORCE HYDRO IN ITS RECOMMENDATION THAT THE INTEREST OF THE UTILITIES BE FORMALLY RECOGNIZED AND DEFINED BY THE ISSUING OF CERTIFICATES TO PARTICIPATING UTILITIES REPRESENTING THAT INTEREST.

WHILE THESE CERTIFICATES WOULD CARRY NON-VOTING RIGHTS, IT HAS ALWAYS BEEN MY VIEW THAT THE MUNICIPALITIES -- PROBABLY THROUGH THEIR ASSOCIATION, THE O.M.E.A. -- SHOULD HAVE A VOICE IN THE AFFAIRS OF THE HYDRO CORPORATION. IT IS MY HOPE, THEREFORE, THAT WHEN THE NEW LEGISLATION ESTABLISHING THE HYDRO CORPORATION AND ENLARGING ITS BOARD IS PASSED THAT THERE WILL BE MUNICIPAL UTILITY REPRESENTATION ON THAT BOARD.

ANOTHER CONCERN I'VE HEARD EXPRESSED IS OVER THE PROPOSAL TO REDESIGNATE HYDRO AS A CROWN CORPORATION. AS YOU KNOW, THE GOVERNMENT HAS ACCEPTED THIS RECOMMENDATION, BUT CERTAINLY NOT WITH THE AIM, AS HAS BEEN SUGGESTED, OF TURNING HYDRO INTO A VAST, PROFIT-MAKING COMMERCIAL ENTERPRISE CONTROLLED BY THE GOVERNMENT. ON THE CONTRARY, WE PROPOSE ONLY THAT THE PRESENT COMMISSION, WHICH, IN VIEW OF ITS ASSETS, RESPONSIBILITY AND STRUCTURE IS ALREADY IN FACT A CORPORATION, BE SO DESIGNATED.

OUR DECISION HAS NO BEARING WHATSOEVER ON THE ISSUES OF PROFIT, POWER COSTING AND TAXES. WE DO BELIEVE, HOWEVER, THAT OUR DECISION IN THIS RESPECT WILL HAVE THE BENEFICIAL PSYCHOLOGICAL EFFECT OF PROVIDING HYDRO WITH FAR MORE DAY-TO-DAY OPERATIONAL FLEXIBILITY, IN THAT IT WOULD HAVE MORE OF A BUSINESS ORIENTATION SUPPORTED BY A CORPORATE STRUCTURE TO SUIT CONTEMPORARY REQUIREMENTS AND TO ALLOW MAXIMUM RESPONSIVENESS TO FUTURE CONDITIONS. NEVERTHELESS, HYDRO WILL STILL BE CALLED UPON TO DISCHARGE ITS RESPONSIBILITIES IN COMPLIANCE WITH THE OVERALL POLICY OF THE PROVINCIAL GOVERNMENT.

SINCE TASK FORCE HYDRO'S POWER COSTING AND RATE PHILOSOPHY STUDY IS NOT YET COMPLETED, I AM NOT IN A POSITION TO ENGAGE IN A DETAILED DISCUSSION OF THE ISSUES. I AM INFORMED, HOWEVER, THAT THE TASK FORCE HAS ABSOLUTELY NO INTENTION OF RECOMMENDING A DEVIATION FROM THE "POWER AT COST" PRINCIPLE, NOR IS THERE ANY INTENTION OF RECOMMENDING THAT HYDRO SHOULD EARN A PROFIT OR THAT ANY FUNDS BE TAKEN FROM THE SYSTEM IN THE FORM OF HIDDEN TAXES.

WHAT IS ESSENTIAL IN ANY POWER COSTING SYSTEM, HOWEVER, IS THAT THE COST OF POWER REALISTICALLY REFLECT THE NEED TO PAY FOR ALL OF THE COSTS INCURRED, INCLUDING THE NEED TO PROVIDE FOR NEW CAPITAL FACILITIES TO MEET THE RISING DEMAND FOR POWER.

IT IS ALSO MY UNDERSTANDING THAT TASK FORCE HYDRO IS LIKELY TO RECOMMEND SOME FORM OF RATE REVIEW PROCESS, WHICH PRESUMABLY WOULD PROPOSE AN EXAMINATION OF POWER COSTING, WHOLESALE AND RETAIL RATES, FINANCIAL AND ASSOCIATED ISSUES, AS WELL AS SOME APPARATUS BY WHICH APPEALS COULD BE HEARD. AGAIN, I AM NOT IN A POSITION TO COMMENT ON THE PRECISE NATURE OF ANY SUCH PROPOSALS, BUT I FAVOUR SUCH A CONCEPT BECAUSE THE PUBLIC COULD THEN BECOME AWARE OF THE FACTORS BEHIND ANY PROPOSED RATE INCREASES AND HAVE THE OPPORTUNITY OF ASKING QUESTIONS OR PRESENTING COUNTER ARGUMENTS.

IN REPORT NUMBER TWO, THE TASK FORCE TOUCHED ON THE NEED FOR CITIZEN PARTICIPATION AND OPEN PLANNING BY HYDRO, AND RECOMMENDED THE DEVELOPMENT OF AN OPEN PLANNING PROCESS TO PRODUCE ECONOMICALLY AND TECHNICALLY FEASIBLE PLANS FOR TRANSMISSION AND GENERATION FACILITIES ACCEPTABLE TO THE PUBLIC AND WITH MINIMUM ADVERSE ENVIRONMENTAL IMPACT.

THE GOVERNMENT IS RECEPTIVE TO THIS KIND OF RECOMMENDATION, AND IT COULD WELL LEAD TO THE ESTABLISHMENT OF SOME FORM OF ENVIRONMENTAL REVIEW BOARD THAT ULTIMATELY WOULD OFFER ASSISTANCE IN THE PLANNING AND DEVELOPMENT OF ALL ENERGY-PRODUCING OR TRANSMITTING PROJECTS IN SUCH A MANNER AS TO ENSURE THAT POWER NEEDS ARE FULFILLED AND ENVIRONMENTAL CONSIDERATIONS TAKEN INTO ACCOUNT. JUST AS THE SORT OF RATE REVIEW PROCESS I'VE SPECULATED ON WOULD PROVIDE THE PUBLIC WITH INFORMATION PERTAINING TO THE INCREASED COST OF DOING SOMETHING, AN ENVIRONMENTAL REVIEW PROCESS COULD SERVE TO IDENTIFY THE COST AND THE CONSEQUENCES -- IN TERMS OF SERVICES AND POWER NEEDS -- OF NOT DOING SOMETHING IN CERTAIN INSTANCES. IN OTHER WORDS, IT COULD ASSIST IN ARRIVING AT A REALISTIC DECISION. IT COULD ALSO PROVIDE A MECHANISM WHEREBY ENVIRONMENTAL CONCERNS COULD BE BROUGHT TO LIGHT AND DEBATED PUBLICLY BEFORE AN IRREVOCABLE DECISION WERE MADE.

THE TASK FORCE HAS CALLED FOR A RATIONALIZATION OF THE RETAIL SYSTEM IN THE DISTRIBUTION OF ELECTRICITY AND RECOMMENDS THAT UPPER TIER UTILITIES BE ESTABLISHED WHEREVER A NEW REGIONAL GOVERNMENT IS FORMED, AND THAT THESE UTILITIES BE ADMINISTERED BY AN UPPER TIER COMMISSION RESPONSIBLE FOR THE ELECTRICAL DISTRIBUTION SYSTEM SERVING THE ENTIRE REGION.

I KNOW THERE ARE STRONG FEELINGS AGAINST A UNIFORM SYSTEM RIGHT ACROSS THE PROVINCE, THE ARGUMENT BEING THAT NOT ALL AREAS ARE THE SAME AND THAT SOME FLEXIBILITY ON THIS ISSUE WOULD BE IN ORDER.

NOW IT IS TRUE THAT THE GOVERNMENT IS COMMITTED TO THE NEED FOR REGIONAL GOVERNMENT TO ENSURE THAT EACH REGION OF ONTARIO DEVELOPS IN AN ORDERLY AND VIBRANT FASHION IN THE COMING DECADES.

AS FAR AS THE RELATIONSHIP OF MUNICIPAL UTILITIES TO UPPER OR LOWER LEVELS OF GOVERNMENT WITHIN A REGION, I AM PERSUADED THAT EACH SITUATION SHOULD BE EVALUATED ON ITS MERITS.

BEFORE PROCEEDING, THEN, THE GOVERNMENT INTENDS TO LOOK AT THE NEEDS OF EACH REGION INDIVIDUALLY. I AM NOT CONVINCED THAT AN IMMEDIATE UPPER TIER STRUCTURE WOULD BE APPROPRIATE, AT LEAST NOT AT THIS POINT IN TIME, IN EVERY CASE. I THINK OF METROPOLITAN TORONTO, FOR EXAMPLE, AS BEING A

SITUATION IN WHICH A LOWER TIER STRUCTURE WOULD MAKE MORE SENSE. IT IS MY HOPE THAT IT WILL BE POSSIBLE TO WORK JOINTLY -- PERHAPS THROUGH THE O.M.E.A., HYDRO, THE MINISTRY OF TREASURY, ECONOMICS AND INTERGOVERNMENTAL AFFAIRS, ET CETERA -- TO DETERMINE WHETHER IT IS APPROPRIATE FOR MUNICIPAL UTILITIES TO BE ASSIGNED TO UPPER OR LOWER TIERS OF GOVERNMENT.

BEFORE LEAVING THE MATTER OF RATIONALIZATION OF THE DISTRIBUTION SYSTEM, MY PERSONAL DESIRE IS TO SEE THE EVOLUTION OF BIGGER AND STRONGER MUNICIPAL UTILITIES SO THAT PERHAPS IN THE LONGER TERM ALL ONTARIO RESIDENTS WILL ENJOY THE BENEFITS OF ELECTRICAL POWER DISTRIBUTED THROUGH AND BY MUNICIPALITIES IN CO-OPERATION WITH HYDRO AND THE PRIVATE POWER COMPANIES. CERTAINLY I BELIEVE THAT THE RECOMMENDATIONS OF THE TASK FORCE, RATHER THAN DOING AWAY WITH THE CONCEPT OF MUNICIPAL UTILITIES, ARE DESIGNED TO UPDATE AND STRENGTHEN THAT CONCEPT. THE LARGER DISTRIBUTION UNITS THAT HAVE BEEN PROPOSED WOULD CORRESPOND WITH THE PATTERN OF NEW MUNICIPAL GOVERNMENTS ACROSS THE PROVINCE, AND THE NET RESULT WILL BE A SMALLER PERCENTAGE OF CUSTOMERS WHO WILL DEAL DIRECTLY WITH ONTARIO HYDRO.

AGAIN, IT IS MY HOPE THAT IT WILL BE POSSIBLE TO WORK JOINTLY -- PERHAPS THROUGH THE SAME GROUP I MENTIONED A MOMENT AGO -- TO DESIGN APPROPRIATE LOCAL BOUNDARIES AND CONSOLIDATE THOSE SMALLER UTILITIES WHICH ARE NO LONGER ECONOMICAL IN PROVIDING THE KIND OF SERVICE PRESENT DAY CONDITIONS DEMAND. I HOPE TO HAVE MORE TO SAY ON THIS IN THE NEAR FUTURE.

I UNDERSTAND THAT LATER THIS AFTERNOON THE CHAIRMAN OF TASK FORCE HYDRO, DEAN MUNCASTER, WILL BE TALKING TO YOU ABOUT THE STATUS OF ITS WORK AND GOING OVER SOME OF THE MATTERS I HAVE MENTIONED IN GREATER DETAIL IN ORDER TO CLARIFY ANY OF THE MIS-UNDERSTANDINGS THAT MAY HAVE ARISEN.

BEFORE CONCLUDING, THERE IS ONE THING THAT I SHOULD MENTION, AND THAT IS THE TASK FORCE RECOMMENDATION THAT THE COMMISSIONERS OF REGIONAL UTILITIES BE APPOINTED BY THE MUNICIPAL COUNCIL RATHER THAN ELECTED. I UNDERSTAND THIS PARTICULAR RECOMMENDATION WAS BASED LARGELY ON THE STEERING COMMITTEE'S JUDGMENT RATHER THAN ON MATTERS OF PRINCIPLE. IN ANY EVENT, IT EVOKED A RIGOROUS AND SINCERELY FELT RESPONSE FROM THE O.M.E.A. AND THE GOVERNMENT HAS ACCEPTED THE ARGUMENTS ADVANCED AGAINST THIS RECOMMENDATION.

WHILE THE TRADITION OF ELECTION OF COMMISSIONERS WILL BE LEFT UNCHANGED, A MEANS WOULD BE DEvised TO ALLOW FOR THE APPOINTMENT OF COMMISSIONERS IF THIS IS FELT BY A MUNICIPALITY TO BE MORE APPROPRIATE IN LIGHT OF ITS OWN CIRCUMSTANCES. INDEED, THIS OPTION IS ALREADY PROVIDED FOR IN LEGISLATION FOR CENTRES WITH A POPULATION OF MORE THAN 200,000.

FINALLY, I HOPE THAT MY REMARKS TODAY HAVE OFFERED YOU SOME REASSURANCE AS TO THE CONTINUING IMPORTANCE OF THE ROLE THAT MUNICIPAL ELECTRICAL UTILITIES WILL PLAY IN THE FUTURES OF ALL OF US WHO LIVE IN ONTARIO. I ALSO HOPE THAT I'VE BEEN ABLE TO GIVE YOU SOME INDICATION OF THE SCOPE AND COMPLEXITY OF THE CHALLENGES THAT AWAIT US IN THE OVERALL FIELD OF ENERGY -- CHALLENGES THAT I'M SURE WE CAN LOOK FORWARD TO YOUR VALUABLE CO-OPERATION IN MEETING AND OVERCOMING.

THANK YOU.

CAZ φN

PM

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REMARKS BY

THE HONOURABLE WILLIAM G. DAVIS

PREMIER OF ONTARIO

TUESDAY, APRIL 3RD, 1973

THE CALGARY INN, CALGARY

CANADIAN PETROLEUM ASSOCIATION

ANNUAL DINNER

IN EXAMINING THE MUTUAL CONCERNS OF ONTARIO AND ALBERTA AS TO ENERGY POLICY, I HAVE NO DISPOSITION TO BE PROVOCATIVE AND I DO NOT PERCEIVE MYSELF THIS EVENING AS A ONE-MAN INVADING FORCE. I PROPOSE TO DISCUSS THE AGREED FACTS AS THEY RELATE TO INTER-PROVINCIAL TRADE IN PETROLEUM PRODUCTS, TO GLANCE AT THE PAST AND LOOK TO THE FUTURE. I SHALL CONCLUDE THAT ENERGY PROBLEMS IN CANADA WILL BE RESOLVED MORE READILY THROUGH A CO-OPERATIVE EFFORT ON THE PART OF THE VARIOUS GOVERNMENTS IN CANADA RATHER THAN BY UNILATERAL ADVENTURES BY THE FEDERAL GOVERNMENT, ONTARIO, ALBERTA OR ANY OTHER PROVINCE.

TO DATE, CANADA HAS LACKED A COHERENT AND RATIONAL ENERGY POLICY. AD HOC DECISIONS HAVE BEEN TACKED TOGETHER INTO THE SIMULATION OF A POLICY BUT WE HAVE NOT HAD AND DO NOT HAVE A CLEAR POLICY THAT PROTECTS THE INTERESTS OF THE PROVINCES THAT OWN THE GAS, THAT PROTECT THE CANADIAN CONSUMERS OF THE GAS AND THAT CONTRIBUTES TO THE ACHIEVEMENT OF A WORKING INDUSTRIAL STRATEGY IN CANADA.

IT HAS BEEN SUGGESTED THAT ALBERTA GAS HAS BEEN A RELATIVELY CHEAP SOURCE OF ENERGY IN ONTARIO AS COMPARED WITH ALTERNATIVE SOURCES. THIS STATEMENT IS FACTUALLY CORRECT BUT I DO NOT HAVE TO REMIND THIS AUDIENCE THAT A VERY FEW YEARS AGO NATURAL GAS WAS AN EXPENDABLE BY-PRODUCT OF THE SEARCH FOR AND PRODUCTION OF OIL: IT WAS MORE DESIRABLE IN ECONOMIC AND IN CONSERVATION TERMS TO MERCHANDISE IT THAN TO FLARE IT. ONTARIO PROVIDED A TIMELY AND CRUCIAL MARKET.

THE BASIC POINT IS THAT IN A VERY ACTIVE AND REAL SENSE ONTARIO HAS BEEN AN IMPORTANT PARTNER IN THE GROWTH AND DEVELOPMENT OF THE PETROLEUM INDUSTRY IN ALBERTA.

IN THE DECADE OR MORE SINCE 1961, WHEN THE OIL POLICY WAS INITIATED, THE APPETITE OF MARKET FOR PETROLEUM PRODUCTS HAS SHARPENED. NEW BIDDERS HAVE ENTERED THE MARKET PLACE AND THE BIDDING HAS QUICKENED. THE BUYERS WHO WERE ONCE CRUCIAL ARE NOW LESS VITAL. BUT THOSE BUYERS, AND I REFER PARTICULARLY TO ONTARIO, HAVE MADE INDUSTRIAL COMMITMENTS, BASED ON SECURITY OF SUPPLY AND RELATED TO PRICE, THAT CANNOT BE READILY REVERSED. OUR STEEL INDUSTRY, FOR EXAMPLE, HAS SOME

CLAIM TO CONSIDERATION BY THE PROVINCIAL AND NATIONAL POLICYMAKERS. THE DISCUSSIONS AS TO ENERGY PRICE CANNOT BE INSULATED FROM THE INTERESTS OF THE USERS AND THE OBLIGATIONS OF THOSE WHO, IN GOOD FAITH, HAVE MADE COMMITMENTS.

THERE IS NOT A TOTAL MUTUALITY OF INTEREST AS TO THE LEVEL OF GAS PRICES BETWEEN ONTARIO AND ALBERTA, GIVEN THAT THE SELLER WISHES TO MAXIMIZE INCOME AND THE BUYER WISHES TO MINIMIZE ENERGY COST. BUT NEITHER PROVINCE DICTATED THE TERMS OF TRADE AND THE TERMS OF TRADE HAVE NOT BEEN UNREASONABLY BIASED IN FAVOUR OF BUYER OR SELLER.

I DO NOT WISH TO UNDULY INVOKE THE PAST, BUT THE PAST PRICE PAID BY THE BUYERS OF NATURAL GAS HAS BEEN THE PRODUCT OF FREE NEGOTIATION AND HAS BEEN FAIR AND FREE OF SUBSIDY.

THE NATIONAL OIL POLICY, ON THE OTHER HAND, RESERVED ONTARIO FOR ALBERTA OIL AND IN PROVIDING AN ASSURED MARKET ENHANCED THE PROSPECTS OF CAPITAL ACCUMULATION AND THE DEVELOPMENT OF THE PETROLEUM INDUSTRY IN ALBERTA.

BUT I WANT TO UNDERLINE THAT AS A CONSEQUENCE OF PAST POLICIES AND DECISIONS THE INDUSTRIAL ECONOMICS OF OUR TWO PROVINCES ARE INTER-RELATED TO THE BENEFIT OF BOTH. THERE IS MORE THAT JOINS THAN SEPARATES US. FOR EXAMPLE, IN THE STEEL INDUSTRY WE BUY GAS FROM ALBERTA, MINE ONTARIO ORE, ROLL STEEL WHICH IS FABRICATED INTO PIPE IN ALBERTA OR ONTARIO AND USED TO TRANSPORT ALBERTA GAS. AND THE SYSTEM IS EFFICIENT AND ECONOMICAL. NEITHER PROVINCE BENEFITS THROUGH THE DISRUPTION OF THIS TRADING PATTERN.

INDEED, IT IS OUR HOPE THAT THE INTERDEPENDENCE OF OUR TWO ECONOMIES MIGHT CONTINUE TO GROW. AS A CASE IN POINT, WE ARE WORKING WITH THE GOVERNMENT OF ALBERTA TOWARD THE END OF INCREASING OUR UTILIZATION OF ALBERTA'S RESERVES OF COAL. WHETHER WE ARE TALKING JOBS IN ALBERTA, ENERGY IN ONTARIO OR CANADA'S BALANCE OF PAYMENTS SUCH UTILIZATION OF DOMESTIC RESOURCES MUST BE CONSIDERED DESIRABLE.

BUT THE SITUATION WITH RESPECT TO NATURAL GAS IS MORE IMMEDIATE THAN THE PROSPECTS REGARDING COAL.

ON NOVEMBER 16, 1972, THE PREMIER OF ALBERTA STATED THE INTENTION OF HIS GOVERNMENT TO EFFECTIVELY DOUBLE THE WELLHEAD PRICE OF NATURAL GAS AND, FURTHER, TO INTERVENE IN ALL EXISTING AND FUTURE GAS PURCHASE CONTRACTS. HE PROPOSED TO REQUIRE THE INSERTION OF TWO-YEAR PRICE REDETERMINATION CLAUSES IN THOSE CONTRACTS THROUGH SUCH INTERVENTION, IN CONTRAST TO THE MORE USUAL FIVE- OR TEN-YEAR REDETERMINATION CLAUSE. HE INDICATED THAT ALBERTA RESIDENTS WOULD GAIN ACCESS TO GAS AT A LOWER NET COST THAN CUSTOMERS BEYOND THE BORDERS OF THE PROVINCE.

THE ALBERTA GOVERNMENT HAS SUBSEQUENTLY ANNOUNCED ITS DETERMINATION TO AMEND THE GAS ARBITRATION ACT AND THIS AMENDMENT WILL PROVIDE:

1. ARBITRATORS MUST BASE THEIR GAS PRICE ON A CRITERION OF COMMODITY VALUE -- THE COST OF GAS MUST RELATE TO THE COST OF EQUIVALENT ENERGY FROM SUCH PRODUCTS AS OIL AND COAL.
2. ONLY RESIDENTS OF ALBERTA WILL BE APPOINTED AS ARBITRATORS.

IN PASSING I MIGHT NOTE THAT IF THE ARBITRATORS ARE TO BASE THE PRICE OF GAS SOLD FOR USE IN ONTARIO ON A CRITERION OF COMMODITY VALUE, IT IMPLIES RELATING IT TO THE ONTARIO PRICE OF OIL. BUT THIS WILL MEAN THAT, AS A DIRECT CONSEQUENCE OF OUR CONTINUING SUPPORT FOR THE NATIONAL OIL POLICY AND OUR CONSEQUENT PAYMENT OF HIGHER PRICES FOR OIL THERE WILL BE A GREATER UPWARD ADJUSTMENT IN THE PRICE OF GAS.

TO PUT THE BUYER/SELLER RELATIONSHIP OF ONTARIO AND ALBERTA INTO CONTEXT, THE PROVINCE OF ONTARIO AT PRESENT CONSUMES 21 PER CENT OF ALBERTA'S TOTAL MARKETABLE GAS SUPPLY AND 28 PER CENT OF ITS GAS REMOVALS. I WILL NOT ARGUE THAT WE HAD ATTRACTIVE OPTIONS IN TERMS OF SUPPLIES OF GAS. I SUGGEST, HOWEVER, THAT WE BUILT OUR CONSUMPTION TO THESE RELATIVELY HIGH LEVELS ON THE BASIS OF AN ASSUMPTION OF SECURITY OF SUPPLY AND NO MORE THAN A NORMAL EVOLUTIONARY INCREASE IN PRICE. FOR AN INDUSTRIAL OR DOMESTIC COMMUNITY TO ADJUST TO A PREDICTABLE ESCALATION IN PRICE IS NOT ABNORMAL; TO ADJUST TO A SHARP, UNANTICIPATED AND UNBUDGETED UPWARD REVISION INEVITABLY CAUSES SERIOUS DISRUPTIONS IN THE COMMERCIAL COMMUNITY. I AM SURE THAT ALBERTA DOES NOT WISH TO ARBITRARILY DISRUPT THE ECONOMY OF A COMMUNITY THAT HAS BEEN A MAJOR AND IMPORTANT CUSTOMER.

I SAID AT THE BEGINNING OF THIS PAPER THAT ALBERTA AND ONTARIO OBVIOUSLY DO NOT HAVE A COMPLETE MUTUALITY OF INTEREST WITH RESPECT TO THE PRICE OF NATURAL GAS. THIS IS NOT TO SUGGEST THE ABSENCE OF A MUTUAL SENSE OF RESPONSIBILITY BETWEEN A MAJOR SUPPLIER AND ITS MAJOR CUSTOMERS. AND IN THIS INSTANCE WE ARE NOT COMPETING NATION STATES BUT ARE TWO AUTHORITIES WITHIN THE NATIONAL WHOLE; THIS VISITS A SLIGHTLY GREATER RESPONSIBILITY ON BOTH OF US.

CERTAINLY IT IMPLIES A RESPONSIBILITY ON THE PART OF THE PROVINCE OF ONTARIO TO UNDERSTAND THE LEGITIMATE NEEDS OF THE PEOPLE OF ALBERTA BUT, CONCURRENTLY, IT IMPLIES A RESPONSIBILITY ON THE PART OF THE PEOPLE OF ALBERTA TO UNDERSTAND THE EQUALLY LEGITIMATE ASPIRATIONS OF THE PEOPLE OF ONTARIO. IT INVALIDATES CONFRONTATION AND EMOTION AND DEMANDS CAREFUL EXAMINATION AND NEGOTIATION.

THIS BEING MY VIEW I WOULD LIKE TO EXAMINE THIS QUESTION FOR A MOMENT FROM THE PERSPECTIVE OF ALBERTA.

ALBERTA IS SEEKING HIGHER LEVELS OF GOVERNMENTAL REVENUE. ADDITIONAL REVENUES ARE MORE READILY ACHIEVABLE IN A SECTOR THAT DEALS IN A LARGE DOLLAR AND, IN THE ALBERTA ECONOMY, THE OIL AND GAS SECTOR IS VERY LARGE.

WITH CONSUMPTION GROWING, AND WITH PETROLEUM BEING NON-RENEWABLE, RESERVES ARE BEING EXHAUSTED AT AN ACCELERATING RATE. MAJOR NEW DISCOVERIES HAVE NOT BEEN MADE IN ALBERTA FOR A NUMBER OF YEARS IN SPITE OF RECENT INCREASES IN DRILLING ACTIVITY. MINERAL REVENUES HAVE SHOWN A MARKED DECLINE RELATIVE TO NON-MINERAL IN RECENT YEARS.

THIS DECLINE PRESUMABLY RELATES TO THE FACT THAT EXPLORATION AND DEVELOPMENT INVESTMENTS, POWERED BY THE HIGHLY VOLATILE RISK CAPITAL OF THE OIL AND GAS INDUSTRY, HAS SHIFTED TO THE ARCTIC ISLANDS, THE MACKENZIE DELTA, THE NORTH SEA AND OTHER AREAS WHERE, AT THE MOMENT, THE PROSPECTS ARE CONSIDERED TO BE MORE PROMISING.

PRESUMABLY THIS COULD ALTER. CERTAINLY ALBERTA POSSESSES ENORMOUS RESERVES -- INCLUDING THE DIFFICULT BUT INCREDIBLE OIL SANDS ON THE ATHABASCA -- AND THERE COULD BE IMPORTANT NEW DISCOVERIES BROUGHT INTO ECONOMIC PRODUCTION IN THE FOOTHILLS.

I WOULD ASSUME THAT THE OBJECTIVE OF THE GOVERNMENT OF ALBERTA IS TO ACHIEVE GREATER PROVINCIAL REVENUES, TO BE EQUITABLE IN TERMS OF MAJOR CUSTOMERS AND, IMPORTANTLY, NOT TO PERPETUATE OR CREATE DIS-INCENTIVES THAT MIGHT REDUCE THE PROSPECTS OF A CONTINUING SEARCH FOR NEW PETROLEUM RESERVES. ALTHOUGH EMPHASIS CAN BE EXPECTED TO BE DIFFERENT IN THE TWO PROVINCES; CERTAINLY WE WOULD REGARD EQUITABLE ARRANGEMENTS FOR MAJOR CUSTOMERS AS BEING OF PRIMARY IMPORTANCE BUT ONTARIO DOES SUPPORT ALL OF THESE OBJECTIVES. DISCUSSION AND DEBATE WITHIN THESE PARAMETERS SHOULD, IN MY VIEW, BE PRODUCTIVE.

PREMIER LOUGHEED HAS MADE IT CLEAR THAT A FURTHER OBJECTIVE OF HIS GOVERNMENT IS TO BROADEN THE INDUSTRIAL BASE OF ALBERTA THROUGH THE STRENGTHENING OF THE SECONDARY INDUSTRY SECTOR. AN INSTRUMENT FOR

THE ACHIEVEMENT OF THIS OBJECTIVE IS THE PROPOSED PRICE STRUCTURE FOR GAS, BECAUSE IT WOULD SEEK TO LOWER NET COST OF GAS FOR ALBERTA INDUSTRY. ONTARIO DOES NOT HAVE AND DOES NOT SEEK A NATIONAL MONOPOLY ON SECONDARY MANUFACTURE. WE ARE CONCERNED AS CANADIANS AS TO THE REGIONAL NEEDS OF ALL PARTS OF OUR COUNTRY, INCLUDING ONTARIO. WE CAN ONLY ARGUE THAT A SUCCESS FOR ONE AREA SHOULD NOT BE AT THE COST OF UNNECESSARY DETRIMENT TO ANOTHER. A NATURAL GAS PRICING POLICY THAT EFFECTIVELY TRANSFERS EXISTING INDUSTRIAL ACTIVITY FROM, SAY, QUEBEC AND ONTARIO TO THE PROVINCE OF ALBERTA CAN HARDLY BE DEFINED AS EFFECTIVE NATIONAL INDUSTRIAL PLANNING. ALL CANADIANS OF GOODWILL MUST APPLAUD ALBERTA'S INDUSTRIAL DEVELOPMENT ASPIRATIONS AND DO NOTHING THAT WOULD INAPPROPRIATELY PREJUDICE THEM. BUT OTHER PROVINCES HAVE A RESPONSIBILITY FOR THE WELFARE OF THE CANADIANS WITHIN THEIR PROVINCIAL BOUNDARIES. THIS, IN TURN, SHOULD NOT BE INAPPROPRIATELY PREJUDICED.

I AM AWARE THAT THE PROBLEM OF GAS PRICING CAN ASSUME A DIFFERENT DIMENSION, DEPENDING UPON YOUR PERSPECTIVE. IF I WERE DIRECTLY RESPONSIBLE

FOR THE CITIZENS AND INDUSTRY OF ALBERTA, I WOULD HAVE TO QUESTION WHY NATURAL GAS SHOULD BE PRODUCED AND MERCHANDISED AT 16 CENTS WHEN HIGHER PRICES AND, PERHAPS, MUCH HIGHER PRICES ARE IN PROSPECT HALF A DECADE OR A DECADE IN THE FUTURE.

I SUGGEST THAT THIS IS THE NUB OF THE PROBLEM AND WISHFUL THINKING WON'T MAKE IT GO AWAY. CONFRONTATION WON'T DO IT. AS I HAVE ALREADY NOTED, THERE IS NOT AN EASY MUTUALITY OF INTEREST BETWEEN ALBERTA AND ONTARIO ON THIS SUBJECT. BUT WE DO HAVE A MUTUAL INTEREST IN SEEING AND AIDING IN THE FORMATION OF A FAR-SEEING NATIONAL ENERGY POLICY THAT CONSIDERS ALL REGIONAL INTERESTS AND THAT RELATES IN VERY EFFECTIVE TERMS TO A NATIONAL INDUSTRIAL STRATEGY. THE REAL BREAKDOWN IN THIS, AS IN SO MANY MATTERS, IS THE VACUUM, AT LEAST THUS FAR, IN NATIONAL POLICY LEADERSHIP.

IT IS NOT MY INTENTION TO INVOLVE MYSELF AT THIS TIME IN THE QUESTION OF THE EXPORT OF NATURAL GAS OR THE ENERGY CRISIS IN THE UNITED STATES. I DO, HOWEVER, WISH TO MAKE ONE OR TWO OBSERVATIONS. PRESENT AND POTENTIAL SUPPLIES OF ENERGY IN CANADA

AND UNDER THE LEGAL CONTROL OF THIS NATION ARE ADEQUATE TO MEET THE PRESENT AND POTENTIAL REQUIREMENTS OF OUR PEOPLE. WE ARE NOT NOW DISCUSSING WHETHER IT IS PRUDENT TO EXPORT ENERGY AND, PARTICULARLY, SUCH NON-RENEWABLE RESOURCES AS OIL AND GAS. BUT I DO WISH TO UNDERLINE THAT THE MOVEMENT OF GAS TO A MARKET BEYOND OUR BORDERS CAN HAVE A HIGHLY SIGNIFICANT IMPACT ON PRICES IN CANADA. THE SUPPLY/DEMAND RELATIONSHIPS IN THE U.S. ARE QUITE DIFFERENT TO THESE RELATIONSHIPS IN CANADA: WE MUST BE QUITE SURE THAT GAINS ACHIEVED THROUGH THE EXPORT OF PETROLEUM TO THE U.S. ARE NOT COUNTERED BY THE OFF-SETTING IMPORTATION OF INFLATED PRODUCTION COSTS IN CANADA.

Now I would like to make a few comments outlining the Ontario perspective on these matters. That the Government in Ontario is conscious that the continued economic vigor of our Province is related in greater or lesser measure to the cost and the security of supply of energy is borne witness to by the intensive examinations undertaken by Task Force Hydro and the Advisory Committee on Energy, both appointed by my Government. Most of their reports are now in hand and others are coming in very quickly. We are provided with a good inventory of hard data.

THE ADVISORY COMMITTEE ON ENERGY NOTES THAT ONARIO IS "A REGION OF INTENSIVE ENERGY USE" AND NOTES THAT ON A PER CAPITA BASIS ONTARIO CONSUMES MORE ENERGY THAN MOST INDUSTRIALIZED AREAS OF THE WORLD.

AS IS WELL KNOWN, ONTARIO IS AN ENERGY-DEFICIENT REGION. WE ARE A MINOR PRODUCER OF FOSSIL FUELS AND OUR PROSPECTS, IN THIS CONTEXT, DO NOT APPEAR TO BE FAVOURABLE. WE HAVE GOOD RESOURCES OF HYDRAULIC POWER AND SUBSTANTIAL RESERVES OF URANIUM. BUT THE BEST HYDRO SITES HAVE BEEN DEVELOPED AND THE MAJOR AND CONTINUING EFFORTS OF ONTARIO HYDRO IN PROVIDING LEADERSHIP IN THE DEVELOPMENT OF NUCLEAR POWER CANNOT INSULATE OUR PROVINCE FROM NATIONAL, CONTINENTAL AND WORLD REALITIES RELATED TO ENERGY SUPPLY AND DEMAND. WE IN ONTARIO RELY TODAY ON OUT-OF-PROVINCE SOURCES TO SATISFY SOME 80 PER CENT OF OUR ENERGY REQUIREMENTS. I CANNOT HONESTLY SUGGEST THAT THIS DEPENDENCE WILL ALTER SIGNIFICANTLY IN THE PREDICTABLE FUTURE.

OUR STUDIES HAVE CONFIRMED AND, TO A DEGREE, QUANTIFIED ONTARIO'S PROSPECTS IN TERMS OF ENERGY SUPPLY AND PRICES. THEY REPORT THAT EVERY INDICATOR SUPPORTS THE ANTICIPATION OF HIGHER AND, PERHAPS, VERY MUCH HIGHER ENERGY AND FUEL COSTS IN ONTARIO, CANADA AND ABROAD. BUT THEY EQUALLY RECOGNIZE THAT TIMING IS IMPORTANT; PRICE INCREASES IN ONTARIO THAT LAG BEHIND PRICE INCREASES IN, FOR EXAMPLE, MICHIGAN, ARE IMMEASURABLY LESS DAMAGING TO OUR ECONOMY THAN IF OUR PRICE INCREASES LEAD THOSE OF OUR INDUSTRIAL COMPETITORS.

THE OBJECTIVE OF THE GOVERNMENT OF ONTARIO IN TERMS OF ENERGY COSTS TO OUR INDUSTRY, AS APART FROM DOMESTIC USERS, MUST BE TWO-FOLD: WE WISH TO REASONABLY RESTRAIN PRICE INCREASES IN ABSOLUTE TERMS AND, EQUALLY VITAL, WE MUST RESIST ANY INFLUENCE THAT WILL PLACE ONTARIO AT A RELATIVE DISADVANTAGE IN TERMS OF ENERGY COSTS TO THOSE WITH WHOM WE ARE COMPETING FOR INDUSTRIAL MARKETS. WE HAVE NOT SAID THAT AN INCREASE OF 10 CENTS IN THE WELLHEAD PRICE IS GOING TO HAVE A MAJOR NEGATIVE IMPACT OVERALL IN ONTARIO. BUT WE ARE CONCERNED AS TO THE MUCH LARGER INCREASES

THAT ARE FREQUENTLY SUGGESTED. AND I REPEAT THAT IF PRICE CHANGES MUST COME THEY MUST BE SUFFICIENTLY GRADUAL TO ENABLE CONSUMING INDUSTRIES TO ADAPT. THIS APPLIES PARTICULARLY TO THOSE SELECTED INDUSTRIES FOR WHICH GAS CONSTITUTES A MAJOR ELEMENT OF PRODUCTION COSTS. EVEN 10 CENTS TO THOSE INDUSTRIES CAN BE SERIOUS.

CERTAINLY ENERGY POLICY DOES NOT JUST AFFECT GOVERNMENTS. IT HAS MAJOR IMPLICATIONS FOR THE PRIVATE SECTOR. IN OUR OWN PROVINCE, FOR EXAMPLE, I HAVE ESTABLISHED A JOINT ECONOMIC COMMITTEE UNDER MY OWN CHAIRMANSHIP AND COMPOSED OF LEADERS FROM THE BUSINESS AND LABOUR COMMUNITY. I HAVE ASKED THAT THIS COMMITTEE CONSIDER CANADA'S ENERGY NEEDS IN THE CONTEXT OF INDUSTRIAL STRATEGY.

CLEARLY CANADA SHOULD NOT PRICE PETROLEUM IN SUCH A WAY THAT WE ADVERSELY EFFECT NATIONAL INDUSTRIAL DEVELOPMENT. WE ARE OF THE VIEW FOR EXAMPLE THAT CANADA CAN SUPPORT A WORLD SCALE PETROCHEMICAL INDUSTRY USING A CANADIAN RESOURCE AND ENSURING THAT THE MAXIMUM PROPORTION OF THE DOWNSTREAM

PRODUCTS ARE PRODUCED IN CANADA. NATURALLY WE WOULD LIKE TO SEE IT LOCATED IN ONTARIO. QUEBEC HAS AN INTENSE INTEREST IN ITS LOCATION AND SO, OBVIOUSLY, HAS ALBERTA. BUT WHERE IT LOCATES IN CANADA IS A SECONDARY CONSIDERATION. THE PRIMARY CONSIDERATION IS THAT IT SHOULD LOCATE IN CANADA AND SO, IN THIS SENSE, ENERGY POLICY VERY DIRECTLY INFLUENCES INDUSTRIAL STRATEGY.

THE SAME IS TRUE OF THE PRICE OF GAS IN ONTARIO. IN PROPORTIONATE TERMS ONTARIO IS TOO LARGE A PART OF THE ECONOMIC COMMUNITY OF CANADA FOR THE NATION TO BE INDIFFERENT TO THE ECONOMIC HEALTH OF THE PROVINCE. THE RELATIVE COST OF ENERGY AND, MORE SPECIFICALLY, PETROLEUM PRODUCTS TO THE INDUSTRIAL HEARTLAND OF ONTARIO -- AND I COULD INCLUDE QUEBEC, WHICH IS ALSO INVOLVED IN TERMS OF ALBERTA GAS -- MUST BE CONSIDERED TO BE AN IMPORTANT CONTRIBUTOR TO ANY REALISTIC NATIONAL INDUSTRIAL STRATEGY.

TO INTERPRET OUR CONCERNS IN THIS MATTER AS BEING SELFISH AND PAROCHIAL WOULD BE WRONG. IT IS ABSURD AND MISCHIEVOUS TO TRY TO CREATE AN IMAGE OF A DEPRIVED WEST STANDING UP STOUTLY TO A PROSPEROUS EAST. OUR CONCERNS ARE OBVIOUSLY AND

PROPERLY FIRST DIRECTED TO THE NEEDS AND ASPIRATIONS OF OUR OWN PEOPLE BUT, FOR EXAMPLE, IN TERMS OF THE PRICE OF OIL WE HAVE ALREADY FREELY CONCEDED THAT THE IMMEDIATE INTERESTS OF OUR PEOPLE MUST BE SUBSERVIENT TO THE LARGER GOOD EMBODIED IN A MUTUALLY BENEFICIAL NATIONAL POLICY.

I FULLY ACKNOWLEDGE THAT ONTARIO CANNOT EXPECT TO BE COMPLETELY INSULATED FROM WORLD-WIDE ENERGY PRICE TRENDS. OUR OWN STUDIES HAVE CAUTIONED US THAT ENERGY COSTS ARE DESTINED TO INCREASE. OUR CONSUMERS AND INDUSTRIAL USERS ARE FULLY AWARE OF THIS FACT. OUR ARGUMENT IS NOT WITH A CHANGE IN PRICE. OUR ARGUMENT IS WITH THE TIMING AND WITH THE ULTIMATE EXTENT OF THE PRICE CHANGES.

IF NATIONAL ENERGY POLICY -- OR THE ABSENCE OF ANY RATIONAL POLICY -- RESULTS IN ENERGY COSTS BEING DISTORTED UNFAVOURABLY AS COMPARED WITH OUR INDUSTRIAL COMPETITORS, IF WE LOSE SIGHT OF THE FACT THAT ENERGY POLICY MUST BE SUBSERVIENT TO OUR NATIONAL INDUSTRIAL STRATEGY, IF WE BRUSH ASIDE THE LEGITIMATE CONCERNS OF MAJOR USERS IN CANADA, THEN WE INVITE ECONOMIC AND INDUSTRIAL DISLOCATION.

SUCH DISLOCATION IS NOT IN THE BEST INTEREST OF CANADA, OF ONTARIO, OF ALBERTA OR OF ANY OF THE PROVINCES. THE RISK OF SUCH A DISLOCATION PERSISTS AS LONG AS AREAS OF MUTUAL INTEREST AND MUTUAL CONCERN CONTINUE TO BE ILL-DEFINED.

THIS NATION MUST NOT DRIFT IN TERMS OF ENERGY POLICY AND IT MUST NOT DRIFT IN TERMS OF THE INDUSTRIAL STRATEGY THAT INEVITABLY RELATES TO ENERGY POLICY. THE PROVINCES AND THE GOVERNMENT OF CANADA MUST DESIGN SUCH A POLICY.

MEETINGS HAVE BEEN CONVENED AND DISCUSSIONS HAVE BEEN HELD. WE ARE IN CONSTANT COMMUNICATION WITH ALBERTA AND ARE SATISFIED THAT MEN OF GOODWILL CAN SORT THESE THINGS OUT. I AM ENCOURAGED BY THE POSITIVE RESPONSE OF PREMIER LOUGHEED TO THE IDEAS EXPRESSED BY MY COLLEAGUE, MR. McKEOUGH, IN HIS SARNIA SPEECH.

SOME NATIONAL LEADERSHIP WOULD BE USEFUL AND WE HOPE THIS MAY BE FORTHCOMING. FOR THE ACHIEVEMENT OF AN APPROPRIATE ENERGY STRATEGY THE NATIONAL STRUCTURES ARE NOT SATISFACTORY. THE

NATIONAL ENERGY BOARD, FOR EXAMPLE, IS AN ADVERSARY MECHANISM AND IS NOT SATISFACTORY FOR THE RESOLUTION OF QUESTIONS THAT INVOLVE TWO OR MORE PROVINCES. ALBERTA AND ONTARIO DO NOT REGARD ONE ANOTHER AS ADVERSARIES. WE ARE CO-OPERATING PROVINCES AND WE WISH TO NEGOTIATE QUIETLY, RATIONALLY AND AT THE POLITICAL LEVEL.

IN THIS CURRENT MATTER THE PREMIER OF ALBERTA AND I ARE OF ONE MIND, THAT LONGER TERM SOLUTIONS SHOULD NOT BE SOUGHT BY A CONFRONTATION IN OTTAWA IN FRONT OF THE NATIONAL ENERGY BOARD. WE ARE AGREED THAT A NATIONAL CONFERENCE, AT WHICH THE GOVERNMENT OF CANADA AND THE GOVERNMENTS OF THE PROVINCES ARE REPRESENTED, SHOULD BE CONVENED AND THAT, OUT OF SUCH A CONFERENCE, SHOULD COME NEW STRUCTURES FOR THE RESOLUTION OF THESE MATTERS. OUR TWO PROVINCES WILL JOINTLY TAKE THE INITIATIVE IN ASSURING THAT SUCH A CONFERENCE IS CONVENED.

WE ANTICIPATE THAT AT THIS CONFERENCE THE PROVINCES OF CANADA AND THE GOVERNMENT OF CANADA WILL DISCUSS ENERGY AND LAY THE GROUNDWORK FOR THE

DEVELOPMENT OF STRUCTURES THAT WILL CONTRIBUTE TO THE DEVELOPMENT OF A COHERENT AND RATIONAL ENERGY POLICY WHICH WILL BEST SERVE ALL PARTS OF THIS NATION.

LEADERS IN PROVINCES AND NATION, IN THE PUBLIC AND THE PRIVATE SECTOR, WILL NOT SERVE THIS NATION BY WINNING DEBATING POINTS OR MAXIMIZING SHORT TERM PROFITS. THE KIND OF ENERGY POLICY THAT IS DESIGNED IN THE MONTHS AHEAD WILL HAVE CRUCIAL IMPLICATIONS FIVE OR TEN OR TWENTY YEARS INTO THE FUTURE. I BELIEVE ALBERTA AND ONTARIO ARE BOTH WELL AWARE OF THIS FACT AND OUR EFFORTS WILL BE BENT TOWARD STRENGTHENING THE NATION THROUGH STRENGTHENING THE ECONOMIES OF ITS PARTS.

THANK YOU.

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STATEMENT BY
THE HONOURABLE WILLIAM G. DAVIS
PREMIER OF ONTARIO



IN THE LEGISLATURE
TUESDAY, APRIL 24TH, 1973

MR. SPEAKER:

I WOULD LIKE TO MAKE A BRIEF STATEMENT ON A MATTER RELATING TO GOVERNMENT POLICY WITH RESPECT TO THE PROVINCIAL BUDGET.

AT THE END OF LAST WEEK, MR. SPEAKER, I ASKED THE TREASURER TO REVIEW HIS PROPOSAL FOR A SEVEN PER CENT RETAIL SALES TAX ON ENERGY SOURCES AND TO DETERMINE WHETHER THE PRINCIPAL OBJECTIVES OF HIS BUDGET AND THE FISCAL OBJECTIVES OF THE GOVERNMENT WOULD BE SERIOUSLY AFFECTED IF IT WERE WITHDRAWN. I HAVE DISCUSSED THIS MATTER WITH HIM FURTHER THIS MORNING AND HE HAS INDICATED THAT WHILE THERE WOULD BE SOME PROBLEMS ASSOCIATED WITH SUCH A COURSE OF ACTION THEY WOULD NOT BE SUCH AS TO BE UNMANAGEABLE. THEREFORE MR. SPEAKER, THE PROVISION FOR A SEVEN PER CENT RETAIL SALES TAX ON ENERGY SOURCES WILL BE WITHDRAWN FROM THE LEGISLATION PRESENTLY BEFORE THE HOUSE. THIS DECISION IS CONCURRED IN BY THE TREASURER AND HAS THE FULL SUPPORT OF THE GOVERNMENT.

MAY I ADD MR. SPEAKER, THAT I CONTINUE TO HAVE THE GREATEST OF CONFIDENCE IN THE CAPACITY, THE ABILITY AND THE INTEGRITY OF THE HONOURABLE

JOHN WHITE AS THE TREASURER OF THIS PROVINCE, AND I KNOW THAT THIS CONFIDENCE IS SHARED BOTH BY HIS COLLEAGUES IN THE CABINET AND BY THE CAUCUS OF OUR PARTY.

MR. SPEAKER, THE BUDGET WHICH HE PRESENTED TO THIS HOUSE A WEEK AGO LAST THURSDAY REFLECTED HIS CONCERN FOR MANY OF THE PRESSING AND DIFFICULT PROBLEMS NOW FACING ONTARIO; A CONCERN MR. SPEAKER WHICH IS SHARED NOT ONLY BY THE GOVERNMENT BUT BY PUBLIC OFFICIALS AND PRIVATE CITIZENS RIGHT ACROSS THIS PROVINCE. WE ARE CONFIDENT THAT THE MEASURES IT CONTAINS WILL BENEFIT THE PEOPLE OF THIS PROVINCE AND WILL HELP TO BRING ABOUT THE SOLUTIONS TO THESE PROBLEMS THAT WE ALL WISH TO SEE.

WE ARE CONFIDENT MR. SPEAKER, THAT THE NEW PLAN TO STABILIZE PROPERTY TAXES BY GIVING ONE HUNDRED AND EIGHTY MILLION DOLLARS MORE TO MUNICIPALITIES IN ONTARIO WILL GO A LONG WAY TO SOLVE THE INCREASINGLY DIFFICULT PROBLEMS OF MUNICIPAL FINANCE, WILL PERMIT THEM TO REDUCE THE BURDEN OF PROPERTY TAXES ON ONTARIO HOMEOWNERS AND MAKE THE PROPERTY TAX AS A WHOLE MORE EQUITABLE. THIS WILL BE ESPECIALLY TRUE IN THE CITIES AND TOWNS OF NORTHERN ONTARIO WHICH WILL RECEIVE AN EXTRA EIGHT POINT SIX MILLION DOLLARS.

WE ARE CONFIDENT MR. SPEAKER, THAT THE TREASURER'S PLAN TO INCREASE TAX CREDITS AND TO CREATE A SALES TAX CREDIT TO PROVIDE NINETY MILLION DOLLARS TO MAKE THE SALES TAX MORE PROGRESSIVE AND TO CREATE A PENSIONERS' TAX CREDIT TO PROVIDE FORTY MILLION DOLLARS TO ASSIST OUR PENSIONERS, WILL BOTH BRING AN ADDED MEASURE OF FAIRNESS AND EQUITY TO THE TAX SYSTEM IN THIS PROVINCE AND WILL LIFT SOME OF THE BURDEN OF TAXATION FROM THOSE WHO CAN LEAST AFFORD TO PAY.

WE ARE CONFIDENT THAT THE ELIMINATION OF PROPERTY TAXES ON FARM LANDS IN ONTARIO AND THE NEW PROVISIONS FOR THE FORGIVENESS OF SUCCESSION DUTIES ON FARM ASSETS WILL HELP THE FARMING INDUSTRY TO HOLD DOWN RISING FOOD COSTS IN THIS PROVINCE AND WILL HELP TO PRESERVE OUR FAMILY FARMS.

WE ARE CONFIDENT THAT THE PARTIAL ELIMINATION OF SUCCESSION DUTIES AND THE NEW PLAN TO PERMIT BUSINESS FIRMS TO PAY THIS TAX OVER A SIX YEAR PERIOD WILL HELP TO PRESERVE SMALL CANADIAN BUSINESSES IN THIS PROVINCE.

IN SHORT MR. SPEAKER, WE ARE CONFIDENT THAT THIS BUDGET WILL ACCOMPLISH ITS OBJECTIVES. IT WILL BENEFIT THE HOMEOWNER, THE PENSIONER, THE WIDOW, THE LOW-INCOME FAMILY, THE SMALL BUSINESS-MAN AND MANY OTHER PEOPLE IN THIS PROVINCE, AND JUST AS WE ARE CONFIDENT IN THE BUDGET, MR. SPEAKER, WE ARE CONFIDENT IN THE TREASURER WHO INTRODUCED IT.

IN MY VIEW MR. SPEAKER, WHAT WE HAVE HEARD IN THE PAST WEEK AND ONE HALF HAS BEEN AN EXPRESSION IN MANY PARTS OF THE PROVINCE OF A VERY GENUINE PERSONAL CONCERN IN CONNECTION WITH THE PROPOSED SEVEN PER CENT TAX ON ENERGY SOURCES AND THE NATURE OF THE IMPACT IT HAS BEEN SUGGESTED THAT THIS MEASURE MIGHT HAVE UPON SOME PEOPLE. THIS CONCERN, WHILE GENUINELY FELT, HAS TENDED TO OVERLOOK NOT ONLY THE MANY ADDITIONAL BENEFITS THAT WILL ACCRUE TO SUCH PEOPLE, BOTH DIRECTLY AND INDIRECTLY, BUT MORE IMPORTANTLY THE PARTICULAR CARE WHICH WAS TAKEN BY THE TREASURER IN ATTEMPTING TO SEE THAT NO REAL HARDSHIP WOULD BE INFLICTED ON THOSE LEAST ABLE TO BEAR IT.

WHEN MR. SPEAKER, AT THE END OF LAST WEEK, IT BECAME APPARENT THAT THE INTRODUCTION OF THIS MEASURE HAD ONLY SERVED TO PRODUCE A GROWING PUBLIC CONCERN WITH RESPECT TO THE PERSONAL HARDSHIP AND INEQUITY THAT IT HAD BEEN SUGGESTED MIGHT RESULT, I ASKED THE TREASURER TO RECONSIDER THIS TAX AND TO DETERMINE WHETHER, IN VIEW OF THE MANNER IN WHICH IT HAD BEEN RECEIVED AND THE WIDESPREAD REACTION IT HAD PRODUCED, IT MIGHT BE WITHDRAWN. HOWEVER, MR. SPEAKER, THE DECISION TO DO SO WILL NOT AFFECT HIS INTENTION TO PROCEED WITH ALL OF THE OTHER PROPOSALS CONTAINED IN HIS BUDGET NOR THE INTENTION OF THE GOVERNMENT TO SUPPORT HIM IN THAT EFFORT.

FINALLY MR. SPEAKER, I WOULD LIKE TO CLEAR UP A MISAPPREHENSION WHICH SEEMS TO HAVE DEVELOPED WITH RESPECT TO THE KIND OF CONFIDENTIALITY THAT MUST SURROUND THE PREPARATION OF ANY BUDGET. IT HAS BEEN A LONG ESTABLISHED PRINCIPLE OF PARLIAMENTARY DEMOCRACY, ADHERED TO AT WESTMINSTER, IN THE PARLIAMENT OF CANADA AND INDEED IN PARLIAMENTS THROUGHOUT THE WORLD, THAT THE TREASURER MAY NOT REVEAL THE CONTENTS OF HIS BUDGET TO ANYONE NOT BOUND BY THE OATH OF SECRECY.

THE OBSERVANCE OF THIS PRINCIPLE HAS SERVED TO PROTECT THE PUBLIC INTEREST AND TO PREVENT ANY POSSIBILITY OF PERSONAL ADVANTAGE OR PRIVATE GAIN THAT WOULD BE AVAILABLE TO ANYONE POSSESSED OF SUCH PRIOR KNOWLEDGE. BUT WHILE THE CONTENTS OF THE BUDGET MAY NOT BE REVEALED IN ADVANCE THERE IS NOTHING IN TRADITION OR PRECEDENT TO PREVENT ANY TREASURER FROM WITHDRAWING ANY BUDGET PROPOSAL SHOULD HE SUBSEQUENTLY DETERMINE THAT FOR SOME REASON IT IS UNACCEPTABLE. THIS HAS OCCURRED IN THE PAST AND NO DOUBT IT WILL OCCUR AGAIN. AND WHILE I DO NOT EXPECT THAT SUCH A COURSE WOULD BE WITHOUT ITS CONSEQUENCES I AM DETERMINED THAT THE GOVERNMENT THAT I HEAD AND THE PARTY THAT I LEAD WILL CONTINUE TO REMAIN RESPONSIVE TO THE WISHES AND THE WILL OF THE PEOPLE OF THIS PROVINCE. IF THIS MEANS THAT WE MUST CHANGE OUR MINDS OR MODIFY OUR POLICIES LET IT BE KNOWN THAT WE WILL BE PREPARED TO DO SO. AND WHILE THIS MAY CONFOUND OUR OPPOSITION MR. SPEAKER, I SUSPECT THAT THE PEOPLE OF ONTARIO WOULD PREFER RESPONSIVENESS TO RIGIDITY IN GOVERNMENT BECAUSE THAT IS WHAT PUBLIC PARTICIPATION IN THE DEMOCRATIC PROCESS IS ALL ABOUT.

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STATEMENT BY
THE HONOURABLE WILLIAM G. DAVIS
PREMIER OF ONTARIO

TO THE LEGISLATURE
MAY 1, 1973

ANNOUNCING
THE SELECTION OF A DEVELOPER
FOR THE TEST DEMONSTRATION
OF THE INTERMEDIATE CAPACITY
TRANSIT SYSTEM AT THE C.N.E.

MR. SPEAKER, HONOURABLE MEMBERS WILL RECALL THAT LAST NOVEMBER, AT THE ONTARIO SCIENCE CENTRE, I ANNOUNCED A NEW URBAN TRANSPORTATION POLICY FOR THE GOVERNMENT. THIS WAS A POLICY AIMED AT PROVIDING ONTARIO CITIES WITH TRANSPORTATION FACILITIES THAT PUT PEOPLE FIRST AND WAS DIRECTED TOWARDS MEETING THE ECONOMIC, SOCIAL AND RECREATIONAL NEEDS OF URBAN RESIDENTS.

IT WAS COMPRISED OF SIX ELEMENTS, EACH OF WHICH WAS DESIGNED TO ASSIST ONTARIO MUNICIPALITIES IN SOLVING THEIR PRESSING URBAN TRANSPORTATION PROBLEMS. THESE SIX ELEMENTS INCLUDED THE FOLLOWING:

1. CAPITAL SUBSIDIES EQUAL TO 75%
OF A MUNICIPALITY'S EXPENDITURES
ON A WIDE VARIETY OF TRANSIT
EQUIPMENT.
2. SUBSIDIES FOR THE PROVISION OF
COMPUTERIZED TRAFFIC CONTROL SYSTEMS
FOR LARGE MUNICIPALITIES.

3. ASSISTANCE TO MUNICIPALITIES AND OTHERS TO ENCOURAGE THE DEVELOPMENT OF STAGGERED WORK HOUR PROGRAMS AND AN EXAMINATION OF WAYS TO VARY THE WORK HOURS OF PROVINCIAL GOVERNMENT EMPLOYEES.
4. PROGRAMS TO IMPROVE THE UTILIZATION OF EXISTING STREETS AND ROADS.
5. INCREASING EFFORTS TO COORDINATE TRANSPORTATION PLANNING AMONG OUR MUNICIPALITIES.

- AND -

6. THE DEVELOPMENT OF AN OPERATIONAL INTERMEDIATE CAPACITY TRANSIT PROTOTYPE FOR DEMONSTRATION PURPOSES.

THIS NEW POLICY HAS BEEN WELL RECEIVED BY MUNICIPAL TRANSPORTATION AUTHORITIES AND ALREADY THERE HAS BEEN SIGNIFICANT PROGRESS TOWARDS THE IMPROVEMENT OF TRANSPORTATION SERVICES IN MANY PARTS OF THE PROVINCE. MORE THAN 35 MUNICIPALITIES

HAVE APPLIED FOR CAPITAL ASSISTANCE TO PROVIDE NEW TRANSIT FACILITIES. NEW BUS ROUTES AND DIAL-A-BUS SERVICES HAVE BEEN INTRODUCED. A WORKER BUS EXPERIMENT IS WELL ADVANCED IN SUDBURY AND A DIAL-A-BUS FACILITY WILL BE AVAILABLE TO SERVE THE NORTHWESTERN PART OF METROPOLITAN TORONTO THIS FALL.

IN ADDITION, THE CITY OF OTTAWA IS NOW CONSIDERING THE INSTALLATION OF A COMPUTERIZED TRAFFIC CONTROL SYSTEM SIMILAR TO THAT NOW OPERATING IN TORONTO AND THIS WILL, OF COURSE, QUALIFY FOR PROVINCIAL ASSISTANCE.

MR. SPEAKER, THE DECISION LAST NOVEMBER TO UNDERWRITE THE COST OF A PROTOTYPE DEMONSTRATION PROJECT FOR AN INTERMEDIATE CAPACITY TRANSIT SYSTEM RECOGNIZED THE PRESSING NEED FOR A PUBLIC TRANSIT SYSTEM HAVING A CAPACITY BETWEEN THAT OF A SUBWAY AND A CONVENTIONAL BUS SYSTEM; ONE THAT WOULD MOVE PEOPLE IN URBAN AREAS WITHOUT INCREASING THE ALREADY-EXCESSIVE STRESSES ON ROADWAYS OR DISRUPTING THE COMMUNITY ENVIRONMENT.

THE RESEARCH CARRIED OUT BY THE MINISTRY OF TRANSPORTATION AND COMMUNICATIONS HAD INDICATED THAT THE TECHNOLOGY WAS AVAILABLE TO PROVIDE THIS KIND OF ECONOMICAL INTERMEDIATE CAPACITY SYSTEM TO MEET THE NEEDS OF MAJOR URBAN AREAS SUCH AS TORONTO, OTTAWA AND HAMILTON. THE MINISTRY'S CONCLUSION WAS SUPPORTED BY THE ADVICE OF TWO OF CANADA'S LEADING TRANSPORTATION CONSULTANTS.

AS I INDICATED LAST NOVEMBER, THE MINISTRY OF TRANSPORTATION AND COMMUNICATIONS HAS CONDUCTED A COMPETITION AMONG TRANSPORTATION FIRMS IN ORDER TO SELECT A SYSTEM TO BE TESTED AT THE CANADIAN NATIONAL EXHIBITION.

TODAY, MR. SPEAKER, I AM PLEASED TO ANNOUNCE THE RESULTS OF THAT COMPETITION.

A CONTRACT WAS SIGNED THIS MORNING BY THE GOVERNMENT WITH KRAUSS-MAFFEI A.G. OF MUNICH, GERMANY, WHO WILL BE THE PRIME CONTRACTOR FOR A 2.5 MILE INTERMEDIATE CAPACITY SYSTEM DEMONSTRATION PROJECT TO BE ESTABLISHED AT THE CANADIAN NATIONAL EXHIBITION GROUNDS. THE CONTRACT IS VALUED AT APPROXIMATELY SIXTEEN MILLION DOLLARS WHEN THE CIVIL CONSTRUCTION WORKS TO BE CONTRACTED TO CANADIAN FIRMS ARE INCLUDED.

THE KRAUSS-MAFFEI PROPOSAL WAS CHOSEN BECAUSE MANY OF THE MAJOR SUB-SYSTEMS HAVE ALREADY BEEN TESTED EXTENSIVELY; BECAUSE OF THE SIGNIFICANT ADVANTAGES THAT ARE OFFERED BY THIS NEW TECHNOLOGY; BECAUSE THE COST PROJECTIONS FOR THE PRODUCTION OF OPERATIONAL SYSTEMS WERE MOST COMPETITIVE AND BECAUSE OF THE ABILITY OF THE COMPANY TO DELIVER THE SYSTEM AS STATED IN ITS SUBMISSIONS. OF EQUAL SIGNIFICANCE WAS THE SUPERIOR COMPETITIVE BID WHICH IT MADE ON THE DEMONSTRATION PROJECT.

KRAUSS-MAFFEI, MR. SPEAKER, HAS BEEN IN THE BUSINESS OF PUBLIC TRANSPORTATION FOR MORE THAN ONE HUNDRED AND THIRTY YEARS AND HAS BEEN INVOLVED IN THE DEVELOPMENT AND RESEARCH OF ADVANCED GROUND TRANSPORTATION SYSTEMS SINCE THE MID-1960'S.

IT HAS AT ITS DISPOSAL HIGHLY SPECIALIZED RESEARCH AND DEVELOPMENT TEAMS SKILLED IN THE NECESSARY FIELDS OF TECHNOLOGY, AND HAS MADE A FIRM COMMITMENT TO ENTER INTO INDUSTRIAL COOPERATION WITH CANADIAN INDUSTRY IN THIS NEW DEVELOPMENT. THE PRODUCTION OF THIS NEW TRANSPORTATION MODE

WILL CREATE A NEW INDUSTRIAL OPPORTUNITY IN ONTARIO AND IN CANADA GENERALLY.

WITHIN TWO WEEKS, I SHALL OUTLINE THE GOVERNMENT'S POSITION WITH REGARD TO THE INDUSTRIAL ASPECTS OF THIS NEW CONCEPT IN MASS TRANSPORTATION. WITHOUT GOING INTO DETAIL AT THIS TIME, I CAN SAY THAT OUR INDUSTRIAL STRATEGY WILL KEEP THIS PROVINCE IN THE FOREFRONT IN THE BUILDING AND APPLICATION OF THIS NEW MODE OF TRAVEL, AND WILL ALLOW US TO CONTINUE TO DEVELOP ALL FORMS OF TRANSIT EQUIPMENT AND FACILITIES. OUR INDUSTRIAL STRATEGY WILL PROVIDE OUR MUNICIPALITIES, OUR INDUSTRY AND OUR EXISTING DESIGN AND ENGINEERING CAPACITY WITH GREATLY EXPANDED RESEARCH AND DEVELOPMENT CAPABILITY IN THE TRANSIT FIELD. THE INDUSTRIAL, COMMERCIAL AND ACADEMIC SECTORS OF THIS PROVINCE AND OF THE REST OF CANADA WILL BE BOTH VITAL AND NECESSARY PARTNERS IN THIS PROGRAM.

THE TRANSIT DEMONSTRATION PROJECT AT THE C.N.E. IS THE FIRST STEP IN OUR DEVELOPMENT PROGRAM OF TRANSIT TECHNOLOGY, AND KRAUSS-MAFFEI'S INTERMEDIATE CAPACITY TRANSIT SYSTEMS WILL PROVIDE THE BASIS FOR ITS SUCCESS.

BRIEFLY, MR. SPEAKER, THE KRAUSS-MAFFEI SYSTEM INVOLVES FULLY-AUTOMATED MAGNETICALLY SUPPORTED VEHICLES ON AN EXCLUSIVE RIGHT-OF-WAY.

THE VEHICLES ARE DRIVEN BY LINEAR INDUCTION MOTORS THAT OFFER THE UNIQUE ADVANTAGE OF PROPULSION WITHOUT WHEELS AND WITHOUT NOISE. THE ATTRACTIVE FORCE BETWEEN TWO MAGNETIC FIELDS PROVIDES BOTH THE ACCELERATION AND BRAKING POWER FOR THE VEHICLES.

TESTING OF THE SYSTEM AT THE C.N.E. WILL START IN THE FALL OF 1974 AND THE DEMONSTRATION SYSTEM WILL BE IN OPERATION PRIOR TO THE OPENING OF THE CANADIAN NATIONAL EXHIBITION IN 1975, WHEN THE PUBLIC WILL HAVE AN OPPORTUNITY TO RIDE ON THE DEMONSTRATION VEHICLES.

THE DEMONSTRATION PROJECT AT THE C.N.E. IS AN ESSENTIAL STEP PRIOR TO THE INTRODUCTION OF THE NEW TRANSIT SYSTEM IN ONTARIO MUNICIPALITIES. IT WILL INCORPORATE SHARP TURNS, STEEP GRADES AND OTHER FEATURES SIMULATING TYPICAL URBAN ROUTES.

THE INITIAL TESTING WILL PROVIDE VALUABLE INFORMATION ON ALL-WEATHER PERFORMANCE, RELIABILITY, COSTS AND AUTOMATIC CONTROL TECHNIQUES AND WILL CONTINUE TO SERVE AS A TEST TRACK FOR THE INTRODUCTION OF DESIGN IMPROVEMENTS TO THE TRANSIT SYSTEMS.

MR. SPEAKER, THE SIGNING OF THIS CONTRACT WILL PROVIDE THE BASIS FOR ONTARIO TO ASSUME A LEADERSHIP ROLE IN TRANSPORTATION DEVELOPMENT.

THE FUTURE BENEFITS ARE MANY, INCLUDING INDUSTRIAL RESEARCH AND DEVELOPMENT AND EXPORT PROMOTION OPPORTUNITIES. BUT MOST OF ALL, THE BENEFITS WILL COME IN THE FORM OF TRANSPORTATION FACILITIES UNEQUALLED ANYWHERE.

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STATEMENT BY

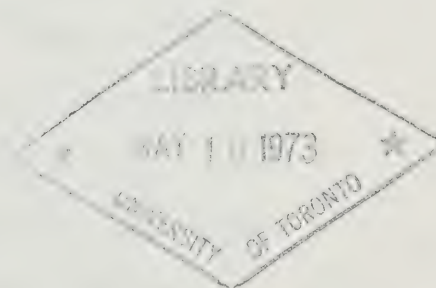
THE HONOURABLE WILLIAM G. DAVIS

ON THE

DEATH OF

THE HONOURABLE LESLIE M. FROST

FRIDAY, MAY 4, 1973



I WAS SADDENED TO LEARN OF THE DEATH TODAY OF THE HONOURABLE LESLIE FROST, A PERSONAL FRIEND AND MENTOR FOR MANY YEARS AND A MAN WHO WILL RANK AS ONE OF THE GIANTS IN CANADIAN POLITICAL HISTORY.

AS IS FREQUENTLY THE CASE WITH A GREAT MAN, ONE'S PRIVATE MEMORY OF LESLIE FROST IS THAT OF A PERSON OF DEEP PERCEPTIONS AND SIMPLE TASTES. I CAN THINK OF NO OTHER MAN WHO SO PERFECTLY UNDERSTOOD THE ASPIRATIONS OF THE PEOPLE OF ONTARIO AND WHO SO SUCCESSFULLY MASTERED THE POLITICAL PROCESSES INVOLVED IN TRANSLATING THOSE ASPIRATIONS INTO ACTION.

AFFECTIONATELY KNOWN AS OLD MAN ONTARIO, MR. FROST THROUGHOUT HIS LIFETIME NEVER FAILED TO GO OUT OF HIS WAY TO RECOGNIZE, WITH A HEARTY HANDSHAKE AND A WARM GREETING, FRIENDS IN EVERY WALK OF LIFE. AND NO STREET OR CONCESSION LINE IN ONTARIO WAS WITHOUT HIS FRIENDS. MANY OF THESE FRIENDSHIPS HAD THEIR BEGINNING DURING HIS YEARS SPENT IN THE TRENCHES IN THE FIRST WORLD WAR. HE WAS WOUNDED IN FRANCE AND RETIRED WITH THE RANK OF MAJOR. HIS CONCERN FOR THE WELFARE AND THE WELL-BEING OF VETERANS WAS WELL-KNOWN IN EVERY BRANCH OF THE CANADIAN LEGION, AND THEIR INTERESTS WERE ALWAYS CLOSE TO HIS HEART.

A DEVOTED STUDENT OF HISTORY, MR. FROST GAINED EMINENCE AS AN AUTHOR AND A MILITARY HISTORIAN. WHILE HIS KNOWLEDGE OF THE EARLY HISTORY OF ONTARIO WAS UNEQUALLED AND HIS STORE OF LITTLE-KNOWN BUT FASCINATING ANECDOTES WAS VAST, HE WAS ALSO A SERIOUS STUDENT OF THE AMERICAN CIVIL WAR AND OF THE SOUTH AFRICAN WAR.

BUT IT WAS AS PREMIER OF ONTARIO THAT MR. FROST WILL BE FOREVER REMEMBERED AS HE LED THIS PROVINCE INTO AND THROUGH A CHALLENGING PERIOD OF PHENOMENAL POSTWAR EXPANSION. IT WAS DURING THE FROST ADMINISTRATION THAT ONTARIO CONSOLIDATED ITS POSITION AS CANADA'S WEALTHIEST AND MOST VIBRANT JURISDICTION.

A DISTINGUISHED MEMBER OF THE BAR, MR. FROST WAS FIRST ELECTED TO THE ONTARIO LEGISLATURE IN 1937. FROM 1943 TO 1949 HE WAS TREASURER OF ONTARIO AND MINISTER OF MINES. FROM 1949 TO 1961 HE WAS PREMIER OF ONTARIO AND FROM 1949 TO 1955 HE CARRIED AN ADDITIONAL PORTFOLIO AS PROVINCIAL TREASURER. MR. FROST WAS APPOINTED TO THE PRIVY COUNCIL IN 1961 AND RETIRED FROM ACTIVE POLITICS IN 1963.

AS LEADER OF THE GOVERNMENT AND OF THE ONTARIO PROGRESSIVE CONSERVATIVE PARTY MR. FROST DISPLAYED AN IRON WILL IN THE FACE OF DIFFICULT DECISIONS, AT THE SAME TIME MAINTAINING HIS ENORMOUS PERSONAL CHARM AND WINNING THE ADMIRATION AND RESPECT OF EVEN HIS POLITICAL FOES.

CONFRONTED BY LARGE ISSUES, HE PRACTISED STATESMANSHIP THOUGH HE NEVER THOUGHT OF HIMSELF AS BEING A STATESMAN. HE WAS CONTENT TO BE KNOWN AS A POLITICIAN AND HE WAS PROUD OF HIS PROFESSION. EVER COMPLETELY AT HOME WHEREVER HE HAPPENED TO BE, HIS HOME IN LINDSAY WAS NEVERTHELESS ALWAYS A SPECIAL PLACE.

LESLIE FROST WAS TRULY A GREAT CANADIAN, AND HIS RECORD OF ACHIEVEMENT DOES HONOUR AND CREDIT TO HIS MEMORY AND TO THE PROFESSION OF POLITICS HE SO DEARLY LOVED. WE THE PEOPLE AND THE GOVERNMENT OF ONTARIO MOURN THE PASSING OF THIS GREAT AND NOBLE CANADIAN, OUR BELOVED OLD MAN ONTARIO.

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REMARKS BY
THE HONOURABLE WILLIAM G. DAVIS
PREMIER OF ONTARIO



TO NORTH BAY ROTARY CLUB
EMPIRE HOTEL, NORTH BAY
MAY 10TH, 1973

ANNOUNCING LOWER FREIGHT RATES
ONTARIO NORTHLAND TRANSPORTATION COMPANY

I AM EXTREMELY PLEASED TO BE HERE TODAY SINCE I AM IN A POSITION TO OUTLINE SEVERAL MATTERS THAT WILL BENEFIT NORTHERN ONTARIO AND WHICH HAVE PARTICULAR RELEVANCE TO NORTH BAY.

INDEED, AS GATEWAY TO THE NORTH AND THE HEADQUARTERS OF THE ONTARIO NORTHLAND TRANSPORTATION COMMISSION, I CANNOT THINK OF A MORE APPROPRIATE CITY IN WHICH TO DELIVER THESE REMARKS, MOST OF WHICH CONCERN THE VITAL QUESTION OF TRANSPORTATION AS IT AFFECTS THE VAST NORTHERN REGION OF OUR PROVINCE.

SOME OF YOU MAY RECALL THAT IN THE FIRST THRONE SPEECH OF MY ADMINISTRATION IN JUNE OF 1971 IT WAS ANNOUNCED THAT THE MINISTRY OF TRANSPORTATION AND COMMUNICATIONS WOULD UNDERTAKE AN INVESTIGATION OF THE COST OF TRANSPORTING GOODS INTO AND OUT OF NORTHERN ONTARIO.

THIS EXHAUSTIVE STUDY IS NOW NEARING COMPLETION AND HAS PINPOINTED MANY TRANSPORTATION DISADVANTAGES CONFRONTING BUSINESS AND INDUSTRY IN NORTHERN ONTARIO. To give you some indication of the scope of the study, I should mention that it included the examination of more than one hundred thousand items pertaining to freight rates, mileages, rules, regulations, transportation installations and commodity flows to and from Northern Ontario points.

LET US CONSIDER THE MATTER OF FREIGHT RATES. THE FREIGHT RATE STRUCTURE CONFRONTING LARGE AND SMALL BUSINESS IN NORTHERN ONTARIO IS REplete WITH INEQUITIES AND IN MANY CASES THE FREIGHT RATES ARE PLAINLY UNREASONABLE, THEREBY RESTRICTING THE DOMESTIC AND EXPORT MARKETS FOR NORTHERN ONTARIO GOODS.

TO GIVE YOU AN EXAMPLE -- A LARGE LUMBER INDUSTRY HAS DEVELOPED IN THE HEARST AREA OF ONTARIO AND SHIPMENTS OF PLYWOOD ARE MADE TO EUGENE, OREGON, AT A COST OF \$74.80 PER TON. BUT SIMILAR PLYWOOD CAN BE SHIPPED BY RAIL FROM DARTMOUTH, NOVA SCOTIA, TO EUGENE, OREGON, FOR ONLY \$60 A TON -- AND YET DARTMOUTH, NOVA SCOTIA, IS A THOUSAND MILES FARTHER AWAY FROM EUGENE, OREGON, THAN IS HEARST, ONTARIO, BUT THE INCREDIBLE FACT IS THAT THE LUMBERMEN IN HEARST, EVEN THOUGH THEY'RE A THOUSAND MILES CLOSER TO THE MARKET, PAY A \$14.80 PER TON PENALTY WHEN COMPETING WITH THE LUMBERMEN IN DARTMOUTH.

THIS IS JUST ONE OF THE MANY FREIGHT RATE DISADVANTAGES UNCOVERED IN THE COURSE OF OUR INVESTIGATION AND, IF I MAY PARAPHRASE THE NATIONAL TRANSPORTATION ACT, IT RESULTS IN AN UNREASONABLE DISCOURAGEMENT TO PRIMARY AND SECONDARY INDUSTRY -- A DISCOURAGEMENT WHICH THE SAME NATIONAL TRANSPORTATION ACT SAYS IS ILLEGAL.

THAT'S RIGHT -- THE FEDERAL LEGISLATION SAYS IT IS ILLEGAL. YET IT IS THE FEDERAL GOVERNMENT'S LACK OF AN EQUITABLE TRANSPORTATION POLICY THAT HAS CREATED THESE UNFAIR CONDITIONS -- CONDITIONS WHICH THE FEDERAL GOVERNMENT SAYS IT DEPLORES BUT ISN'T DOING ANYTHING ABOUT.

SIMILARLY, OUR EXAMINATION OF EXPRESS RATES COVERING SMALL SHIPMENTS INDICATES THAT SMALL SHIPMENTS IN ONTARIO CARRY A HIGHER TRANSPORTATION COST THAN WOULD SHIPMENTS OF ABOUT THE SAME SIZE WITHIN ANY OTHER PROVINCE, OR TO OR FROM ANY OTHER PROVINCE, FOR A LIKE MILEAGE (THIS IS EXCLUDING LOCAL EXPRESS TRAFFIC ON THE O.N.R.).

FOR EXAMPLE, A 500-POUND SHIPMENT FROM KIRKLAND LAKE TO TORONTO WOULD COST \$95.20 PER TON FOR A DISTANCE OF 389 MILES. THE SAME SIZE SHIPMENT FROM WINNIPEG, MANITOBA, TO UNDORA, SASKATCHEWAN, A DISTANCE OF 394 MILES, WOULD COST ONLY \$55.20 PER TON. IN OTHER WORDS, THE PRAIRIE SHIPMENT AMOUNTS TO ONLY 58 PER CENT OF THE COST OF THE NORTHERN ONTARIO EXPRESS SHIPMENT.

INDEED, THE NORTHERN ONTARIO SHIPPER FACES A SIMILAR DISADVANTAGE AT ANY MILEAGE OR WEIGHT OF SHIPMENT, RESULTING AGAIN IN AN UNDUE OBSTACLE TO THE INTERCHANGE OF COMMODITIES BETWEEN POINTS IN NORTHERN ONTARIO AND AN UNREASONABLE DISCOURAGEMENT TO THE DEVELOPMENT OF SECONDARY INDUSTRY IN THE NORTH.

THERE ARE OTHER FACTORS, OF COURSE, WHICH INCREASE THE COST OF TRANSPORTATION TO NORTHERN ONTARIO SHIPPERS, SUCH AS THE ROUNDABOUT JOURNEY THAT SOME GOODS ARE FORCED TO TAKE TO GET FROM POINT A TO POINT B. FOR INSTANCE, ON A SHIPMENT OF FOREST PRODUCTS FROM KAPUSKASING TO GREEN BAY, WISCONSIN, THE RAILWAYS AUTHORIZE ONLY A CIRCUITOUS ROUTE VIA DETROIT, MICHIGAN, RESULTING IN A DISTANCE OF 1,449 MILES,

A SHORTER ROUTE VIA THE SAULT STE. MARIE, MICHIGAN, GATEWAY WOULD ENTAIL ONLY 625 MILES, THEREBY REDUCING THE JOURNEY BY 824 MILES. BUT AS FREIGHT RATES ARE RELATED TO DISTANCE, THIS ROUNDABOUT ROUTE IMPOSED BY THE RAILWAYS RESULTS IN THE KAPUSKASING SHIPPER FACING AN UNFAIR DISADVANTAGE EVEN BEYOND ANY DISADVANTAGE THAT MAY BE DEEMED INHERENT IN LOCATION. AGAIN, ONE WISHES THAT THE FEDERAL AUTHORITIES WOULD HAVE A WORD OR TWO WITH THE RAILWAYS CONCERNING THEIR AUTHORIZATION PRACTICES IN THE MATTER OF DETERMINING WHICH ROUTES SHOULD BE TAKEN.

INsofar AS A PROVINCIAL GOVERNMENT HAS THE JURISDICTION AND THE RESOURCES TO COME TO GRIPS WITH THESE PROBLEMS, I CAN ASSURE YOU THAT YOUR GOVERNMENT AT QUEEN'S PARK IS DETERMINED TO ENCOURAGE THE DEVELOPMENT OF AN EFFICIENT TRANSPORTATION SYSTEM FOR SHIPPERS AND RECEIVERS OF GOODS IN NORTHERN ONTARIO THAT WILL RESULT IN A LOWER TOTAL COST TO THE USER.

IN LINE WITH THIS, I AM PLEASED TO ANNOUNCE HERE TODAY THAT THE GOVERNMENT WILL BE INTRODUCING INTERIM REDUCTIONS ON SELECTED FREIGHT RATES AVERAGING APPROXIMATELY 18 PER CENT INTO AND OUT OF THE AREA SERVED BY THE ONTARIO NORTHLAND TRANSPORTATION COMPANY.

THESE REDUCTIONS WILL APPLY TO INBOUND CONSUMER GOODS AND MANUFACTURING COMPONENTS AS WELL AS SELECTED OUTBOUND MANUFACTURED PRODUCTS. NO FREIGHT REDUCTIONS, HOWEVER, WILL BE APPLIED TO RESOURCES MATERIALS AT THIS TIME.

AS THEY WILL APPLY TO RAIL FREIGHT RATES, OF COURSE, THE REDUCTIONS WILL COVER THE O.N.R. LINE FROM NORTH BAY TO MOOSONEE. SINCE THESE REDUCTIONS WILL ALSO APPLY TO THE O.N.R. TRUCKING ARM, THE GEOGRAPHIC AREA TO RECEIVE THESE BENEFITS WILL BE EXPANDED TO INCLUDE THE HIGHWAY 11 CORRIDOR BETWEEN NORTH BAY AND HEARST; THE TIMMINS-SAULT STE. MARIE CORRIDOR; AND THE TIMMINS-SUDBURY CORRIDOR. APART FROM THE CENTRES I'VE JUST MENTIONED, THE GEOGRAPHIC AREA ALSO TAKES IN KAPUSKASING, CHAPLEAU, SMOOTH ROCK FALLS, IROQUOIS FALLS, KIRKLAND LAKE AND THE TRI-TOWN AREA OF NEW LISKEARD, HAILEYBURY AND COBALT.

THE O.N.R. MARKETING STAFF AND THE ECONOMIC BRANCH OF THE MINISTRY OF TRANSPORTATION AND COMMUNICATIONS HAVE BEEN INSTRUCTED TO RECOMMEND TO THE GOVERNMENT WITHIN 30 DAYS A LIST OF COMMODITIES FOR SELECTED FREIGHT RATE REDUCTIONS.

THIS 30-DAY PERIOD WILL PROVIDE SUFFICIENT TIME FOR CONSULTATION WITH THE NATIONAL RAILROADS IN RESPECT TO AREAS WHERE MUTUAL ACTION WILL HAVE TO BE TAKEN.

IN ANNOUNCING THIS FREIGHT RATE REDUCTION, I THINK IT SHOULD BE VIEWED IN CONJUNCTION WITH THE ANNOUNCEMENTS CONTAINED IN THE HONOURABLE JOHN WHITE'S BUDGET ON APRIL 12 FOR INCREASED, ACROSS-THE-BOARD, UNCONDITIONAL GRANTS TO ALL COMMUNITIES NORTH OF THE FRENCH RIVER.

I THINK THE REASONS THE TREASURER GAVE FOR THE NEW PROGRAM CLEARLY INDICATED OUR RECOGNITION THAT THE NORTH NEEDS, DESERVES AND WILL RECEIVE SPECIAL FISCAL CONSIDERATION FROM YOUR GOVERNMENT AT QUEEN'S PARK.

LET ME QUOTE FROM THE TREASURER'S SPEECH IN THE LEGISLATURE: "THE GOVERNMENT HAS RECOGNIZED THE UNIQUE COSTS THAT CONFRONT OUR MUNICIPALITIES IN THE NORTH. THESE COMMUNITIES HAVE TO COPE WITH PROBLEMS RELATED TO SEVERE WINTERS, HIGH TRANSPORTATION COSTS, UNUSUAL GEOGRAPHIC FEATURES AND LACK OF CERTAIN SERVICES -- ALL OF WHICH LEAD TO HIGHER COSTS OF MUNICIPAL SERVICES AND A HIGHER COST OF LIVING TO NORTHERN TAXPAYERS",

THEREFORE, WE HAVE INCLUDED A 10 PER CENT INCREASE IN GRANTS TO ALL NORTHERN MUNICIPALITIES, RAISING TO 14 PER CENT THIS YEAR THE AMOUNT TO BE RECEIVED. NATURALLY, IT IS OUR HOPE THAT THESE INCREASED GRANTS WILL ENABLE MUNICIPALITIES TO HOLD THE LINE ON THE PROPERTY TAX AND PERHAPS REDUCE IT. THIS HAS BEEN THE CASE SO FAR IN A NUMBER OF MUNICIPALITIES,

I SUGGEST, WITH RESPECT, THAT THESE MEASURES CONSTITUTE A VERY SUBSTANTIAL RECOGNITION OF THE NORTH'S NEEDS AND A VERY REAL INDICATION OF THIS GOVERNMENT'S CONTINUING AND GROWING COMMITMENT TO SEE THAT THE ASPIRATIONS OF THE PEOPLE OF NORTHERN ONTARIO BE REALIZED.

I THINK YOU WILL BE PLEASED TO LEARN, ALSO, THAT AN EXAMINATION OF RATES CHARGED FOR COMMUNICATIONS SERVICES IN NORTHEASTERN ONTARIO IS TO BE UNDERTAKEN BY THE ONTARIO TELEPHONE SERVICES COMMISSION IN CONJUNCTION WITH THE O.N.T.C., NORTHERN TELEPHONE COMPANY AND BELL CANADA; AND THAT A LONGER TERM PROGRAM IS TO BE DEVELOPED FOR THE EXPANSION OF FACILITIES TO PROVIDE MORE AND BETTER TRANSPORTATION AND COMMUNICATIONS SERVICES TO REMOTE AREAS OF THE REGION.

WE ARE ALSO LOOKING INTO WAYS OF DEVELOPING A MORE EFFICIENT AND LOWER COST MEANS OF MOVING GOODS INTO AND OUT OF NORTHERN ONTARIO, ONE OF THEM BEING A NEW METHOD OF BARGING, AS WELL AS A MORE EFFICIENT AND LOWER COST MEANS OF TRANSPORTING SMALL SHIPMENTS.

AND WHILE I'VE BEEN TALKING TO DATE ABOUT THE MOVEMENT OF GOODS, I SHOULD ALSO MENTION OUR INTEREST IN THE MOVEMENT OF PEOPLE. I THINK HERE PARTICULARLY OF OUR INTRODUCTION IN OCTOBER, 1971, OF THE ONTARIO GOVERNMENT'S DEMONSTRATION AIRLINE, NORONTAIR, WHICH IS A VERY GOOD AND SUCCESSFUL EXAMPLE OF A SPECIAL AND MUCH NEEDED TRANSPORTATION ENDEAVOUR IN THE NORTH. INDEED, NORONTAIR NOW -- IN ADDITION TO ITS ROLE AS A LOCAL OR REGIONAL AIRLINE -- HAS BECOME AN IMPORT FEEDER TO AIR CANADA AND TRANSAIR.

I THINK THAT IF YOU REVIEW ALL OF THESE GOVERNMENT INITIATIVES, YOU WILL GET THE VERY CLEAR IMPRESSION THAT THINGS HAVE HAPPENED AND ARE HAPPENING FOR THE BETTERMENT OF LIFE IN NORTHERN ONTARIO AS A RESULT OF ACTION WE HAVE TAKEN, ARE TAKING, AND WHICH I WANT TO ASSURE YOU WE SHALL CONTINUE TO TAKE.

WE HAVE ESTABLISHED 25 NORTHERN AFFAIRS OFFICES THROUGHOUT THE NORTH TO ENSURE THAT THE BASIC INFORMATION NEEDS OF THE RESIDENTS OF NORTHERN ONTARIO ARE PROVIDED, AND WHERE WE DO NOT HAVE A NORTHERN AFFAIRS OFFICE AS SUCH, WE HAVE A SATELLITE ARRANGEMENT TO PROVIDE THE SAME SERVICE TO THE MORE REMOTE, ISOLATED COMMUNITIES.

AND THIS SERVICE IS NOT RESTRICTED TO ONE LEVEL OF GOVERNMENT ALONE. OUR NORTHERN AFFAIRS OFFICERS REGULARLY HANDLE, LITERALLY, THOUSANDS OF REQUESTS FOR INFORMATION FROM THE FEDERAL GOVERNMENT AND THEY ARE AS EFFICIENT IN OBTAINING THAT INFORMATION FROM OTTAWA AS THEY ARE FROM QUEEN'S PARK.

IN THE FIELD OF CAPITAL FINANCING FOR SECONDARY INDUSTRY, ONE OF NORTHERN ONTARIO'S PERENNIAL PROBLEMS WAS THE RELUCTANCE OF REGULAR LENDING INSTITUTIONS TO ACCEPT HIGHER RISK VENTURES. IT BECAME APPARENT THAT IF ANY ORGANIZATION WERE TO MOVE INTO THIS IMPORTANT AREA, IT WOULD HAVE TO BE GOVERNMENT. TWO YEARS AGO, WE ESTABLISHED THE NORTHERN ONTARIO DEVELOPMENT CORPORATION.

TO DATE, THIS CORPORATION HAS LENT \$8,740,000 TO ATTRACT A TOTAL CAPITAL INVESTMENT IN THE NORTH OF MORE THAN \$18 MILLION.

THIS PROGRAM ALONE HAS ALREADY ACCOUNTED FOR THE CREATION OF 938 NEW JOBS THROUGHOUT THE NORTH AND FIVE-YEAR PROJECTIONS INDICATE THAT NEARLY FOURTEEN HUNDRED JOBS WILL BE CREATED FROM THE 115 LOANS MADE TO SECONDARY INDUSTRY TO DATE.

THE MINERALS INDUSTRY HAS PROSPERED IN RECENT YEARS AND NEW MINES HAVE OPENED IN BOTH NORTHWESTERN AND NORTHEASTERN ONTARIO; HOWEVER, THESE NEW MINING VENTURES DID NOT DEAL WITH THE MANY NEEDS OF MANY OF OUR MINING COMMUNITIES THAT REMAIN DEPENDENT UPON LONG-STANDING ORE BODIES -- SOME OF WHICH ARE SHOWING SIGNS OF DEPLETION OR THE ADVERSE EFFECTS OF YEARS OF RELATIVELY UNPROFITABLE PRODUCTION.

TO HELP MEET THE NEED OF SOME OF THESE COMMUNITIES, WE INTRODUCED THE MINERALS EXPLORATION ASSISTANCE PROGRAM, NOW IN ITS THIRD YEAR. THIS PROGRAM WAS INTENDED TO PROVIDE AN INCENTIVE TO THE SMALL PROSPECTOR AND THE SMALLER EXPLORATION COMPANIES TO TAKE ANOTHER CRACK AT THE GOLD MINING COMMUNITIES OF ONTARIO IN THE HOPE THAT NEW COMMERCIALY VIABLE ORE BODIES COULD BE DISCOVERED.

BY THE END OF THIS FISCAL YEAR, THE PROVINCE WILL HAVE CONTRIBUTED \$3 MILLION TO PROVIDE THE INCENTIVE AND WE WILL HAVE ATTRACTED \$9 MILLION OF EXPLORATION WORK WHERE THERE MIGHT NOT HAVE BEEN ANY SIGNIFICANT EXPLORATION AT ALL.

THE INFORMATION THAT RESULTS FROM THIS PROGRAM IS, OF COURSE, AVAILABLE TO THE PUBLIC. SHOULD A PRODUCING MINE RESULT FROM THE PROGRAM, THE FUNDS THAT HAD BEEN ALLOCATED TO THE PROJECT BY THE PROVINCE WOULD BE RETURNED.

I SHOULD ADD HERE THAT OUR NORTHERN ONTARIO RESOURCES TRANSPORTATION COMMITTEE HAS AN ANNUAL BUDGET OF FOUR MILLION DOLLARS TO BUILD RESOURCE ROADS SOLELY IN NORTHERN ONTARIO, AND WHEREVER A ROAD IS BUILT IN THE NORTH IT IS WORTH REMEMBERING THAT IN THE 1971-72 FISCAL YEAR THE PER CAPITA COST WAS \$98, WHEREAS IN SOUTHERN ONTARIO THE PER CAPITA COST WAS \$56.

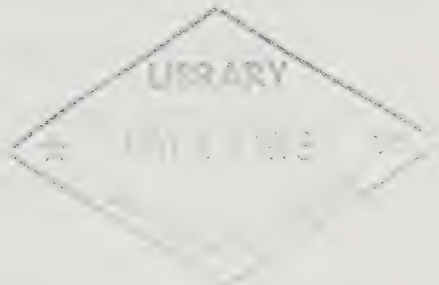
IN CONCLUSION, LET ME SAY THAT WE ARE MORE THAN AWARE OF THE SPECIAL CIRCUMSTANCES OF NORTHERN ONTARIO, AND WE ARE ALSO AWARE THAT SOME OF THE PROBLEMS FACING ONE AREA IN THE NORTH ARE DIFFERENT FROM SOME OF THOSE FACING ANOTHER. CONSEQUENTLY, WE INTEND TO DEAL WITH THEM, NOT ON WHAT MIGHT BE DESCRIBED AS SOUTHERN ONTARIO TERMS, BUT ON THE REAL AND IMMEDIATE TERMS OF PEOPLE LIVING AND WORKING IN ANY GIVEN AREA OF NORTHERN ONTARIO AND WITHIN THE FRAMEWORK OF AN OVERALL POLICY FOR THIS IMMENSE SECTION OF OUR PROVINCE. IT IS JUST AS MUCH OUR CHALLENGE AT QUEEN'S PARK AS IT IS YOUR CHALLENGE HERE IN NORTH BAY AND TO ALL THE OTHER COMMUNITIES TO WHICH YOU SERVE AS THE GATEWAY.

THANK YOU.

CA2 φN
PM
-566



REMARKS BY
THE HONOURABLE WILLIAM G. DAVIS
PREMIER OF ONTARIO



TO THE ROADS AND TRANSPORTATION
ASSOCIATION OF CANADA
(R.T.A.C.)

FRIDAY, MAY 11TH, 1973
ROYAL YORK HOTEL
TORONTO

AS THE CANADIAN GOOD ROADS ASSOCIATION, YOUR ORGANIZATION HAS FOR MANY YEARS CONTRIBUTED TO THE DEVELOPMENT OF ROADS, STREETS AND HIGHWAYS IN CANADA. OUR CANADIAN ROAD SYSTEM, AND PARTICULARLY THAT IN ONTARIO, IS RECOGNIZED INTERNATIONALLY FOR ITS HIGH QUALITY AND FOR ITS DEVELOPMENT TO MEET THE CHANGING NEEDS OF OUR PROVINCE AND NATION. THIS ABILITY TO CHANGE AS OUR NEEDS DICTATE HAS, IN MY OPINION, BEEN ONE OF OUR STRONGER POINTS, AND GOVERNMENT'S DECISION TO PLACE GREATER EMPHASIS ON PUBLIC TRANSIT IS A FURTHER INDICATION OF OUR ABILITY TO RECOGNIZE THE NEED FOR CHANGE.

YOUR ASSOCIATION HAS ALSO RECOGNIZED THIS NATION'S NEED TO DEVELOP AN OVERALL SYSTEM OF SURFACE TRANSPORTATION UTILIZING ALL MODES AND CONCEPTS AT OUR DISPOSAL. YOUR DECISION TO CHANGE THE NAME TO ROADS AND TRANSPORTATION ASSOCIATION OF CANADA (RTAC) CLEARLY ILLUSTRATES YOUR FORESIGHT AND I AM ADVISED BY OUR MINISTER OF TRANSPORTATION AND COMMUNICATIONS, GORDON CARTON, THAT THIS WAS NOT SIMPLY A NAME CHANGE BUT THAT YOUR EFFORTS AND PROGRAMS NOW EMBRACE WITH EQUAL EMPHASIS ALL FORMS OF SURFACE TRANSPORTATION AND PARTICULARLY THE DEVELOPMENT OF OUR MOST URGENT NEED -- PUBLIC TRANSIT IN ALL ITS FORMS.

WITH THIS BACKGROUND, THEREFORE, THE ANNOUNCEMENT I INTEND MAKING THIS MORNING TAKES ON GREATER MEANING IN THAT IT IS BEING PRESENTED TO A CROSS SECTION OF THE PEOPLE OF THIS NATION WHO WILL HAVE MUCH TO DO WITH THE EXPLOITATION AND IMPLEMENTATION OF THESE NEW TRANSPORTATION CONCEPTS.

MANY OF YOU, HERE TODAY, WILL RECALL THAT LAST NOVEMBER, I INTRODUCED A MAJOR NEW PROVINCIAL POLICY FOR URBAN TRANSPORTATION IN ONTARIO.

AT THAT TIME, I OUTLINED NEW AREAS OF INVOLVEMENT FOR THE GOVERNMENT OF ONTARIO AND OUR MUNICIPALITIES IN THE PROVISION OF URBAN TRANSPORTATION SERVICES. THIS WAS A POLICY BASED ON THE PREMISE THAT CITIES ARE FOR PEOPLE -- I STATED THEN THAT CITIES SHOULD BE RICH IN EMPLOYMENT OPPORTUNITIES AND HAVE ADEQUATE HOUSING, AND THAT THEY SHOULD HAVE THE FACILITIES FOR THE ENJOYMENT OF LEISURE AND RECREATION.

IN ANNOUNCING OUR POLICY, I DEALT WITH A NUMBER OF ACTIVITIES THAT THE GOVERNMENT OF ONTARIO WOULD UNDERTAKE, INCLUDING AN INCREASED COMMITMENT OF FUNDS AND PROVISION OF NECESSARY RESEARCH AND TECHNICAL ASSISTANCE TO ATTAIN OUR OBJECTIVE -- THAT OBJECTIVE BEING TO PROVIDE URBAN AREAS THROUGHOUT THE PROVINCE WITH UP-TO-DATE COMMUNITY-WIDE TRANSPORTATION SERVICES.

THE SIX ELEMENTS OF OUR TRANSIT PROGRAM INCLUDED:

- CAPITAL SUBSIDIES EQUAL TO 75% OF THE MUNICIPALITIES EXPENDITURES ON A WIDE VARIETY OF TRANSIT EQUIPMENT.
- SUBSIDIES FOR THE PROVISION OF COMPUTERIZED TRAFFIC CONTROL SYSTEMS FOR OUR LARGE MUNICIPALITIES.

- ASSISTANCE TO MUNICIPALITIES AND OTHERS TO ENCOURAGE THE DEVELOPMENT OF STAGGERED WORK HOUR PROGRAMS. THIS GOVERNMENT IS EXAMINING ITS OWN CAPABILITY TO ASSIST IN THIS AREA BY VARYING WORK HOURS FOR ITS OWN EMPLOYEES.
- PROGRAMS TO IMPROVE THE UTILIZATION OF OUR EXISTING STREETS AND ROADS.
- INCREASING OUR EFFORTS TO CO-ORDINATE TRANSPORTATION PLANNING AMONG OUR MUNICIPALITIES.

AND THE DEVELOPMENT OF AN OPERATING INTERMEDIATE CAPACITY TRANSIT PROTOTYPE FOR DEMONSTRATION PURPOSES.

THIS PROGRAM HAS, SINCE THAT ANNOUNCEMENT, CREATED SUBSTANTIAL INTEREST AND ACTIVITY. I AM INFORMED THAT OUR MUNICIPALITIES HAVE RESPONDED WITH SUFFICIENT REQUESTS FOR THE 75% CAPITAL ASSISTANCE ON NEW ROLLING STOCK THAT OUR 1973 BUDGET IS FULLY COMMITTED.

SEVERAL MUNICIPALITIES HAVE PURCHASED NEW BUSES, NEW MAINTENANCE FACILITIES AND OTHER EQUIPMENT FOR THEIR TRANSIT OPERATIONS. WITHIN THE NEXT FEW WEEKS I ANTICIPATE THAT AN ORDER FOR 20 MILLION DOLLARS WORTH OF SUBWAY EQUIPMENT WILL BE PLACED WITH HAWKER SIDDELEY CANADA; 75% OF WHICH WILL BE FINANCED BY THE PROVINCIAL GOVERNMENT.

CLEARLY THIS NEW URBAN TRANSIT PROGRAM HAS CREATED A RENEWED DEMAND FOR CONVENTIONAL TRANSIT EQUIPMENT OF ALL TYPES.

OUR TRANSIT PROGRAM IS CREATING NEW DEMANDS FOR ALL ASPECTS OF OUR COMMERCIAL SECTOR; NEW VEHICLE DESIGNS, ENGINE MODIFICATIONS, NEW FORMS OF PROPULSION AND BETTER QUALITY OF SERVICE FROM OUR OPERATORS.

HOWEVER, THERE ARE MANY AREAS WHERE NEW INNOVATIVE DEVELOPMENTS MUST TAKE PLACE. OUR FUTURE TRANSIT SYSTEMS WILL REQUIRE FAR MORE COMPUTER-CONTROLLED EQUIPMENT, AUTOMATIC TICKETING AND FARE COLLECTION SYSTEMS, INFORMATION SYSTEMS FOR THE PUBLIC; COMPUTERIZED DISPATCHING OF VEHICLES SUCH AS DIAL-A-BUSES.

WE WILL ALSO NEED NEW VEHICLE CONCEPTS SUCH AS BATTERY-POWERED VEHICLES, NEW FORMS OF CONVENTIONAL BUSES AND STREETCARS, MORE EFFICIENT STATION DESIGN AND PASSENGER HANDLING SYSTEMS.

NEW FORMS OF SERVICE MUST BE PROVIDED SUCH AS TELE-CAB SERVICES, NEW DIAL-A-BUS SERVICES AND FIXED ROUTE TAXIS. THESE SERVICES WILL REQUIRE ADVANCED COMMERCIAL SYSTEMS FOR REVENUE COLLECTION, BILLING AND FINANCING. A MAJOR MARKET IS DEVELOPING IN ONTARIO, IN CANADA, AND GENERALLY WORLD-WIDE FOR TRANSIT EQUIPMENT. THIS GROWING DEMAND, AND OUR REQUIREMENT FOR ADDITIONAL INNOVATIVE FACILITIES HAS LED US TO DEVELOP AN INDUSTRIAL STRATEGY ASSOCIATED WITH OUR URBAN TRANSIT PROGRAM.

ON MAY 1, 1973, THE ONTARIO GOVERNMENT TOOK STEP 2 IN ITS TRANSIT PROGRAM. I ANNOUNCED TO THE LEGISLATURE THAT THE HONOURABLE GORDON CARTON (MINISTER OF TRANSPORTATION AND COMMUNICATIONS) HAD SIGNED A CONTRACT WITH THE WEST GERMAN FIRM OF KRAUSS-MAFFEI TO CONSTRUCT A PROTOTYPE DEMONSTRATION OF A NEW INTERMEDIATE CAPACITY TRANSIT MODE AT THE C.N.E. THE CONTRACT VALUE WAS APPROXIMATELY 16 MILLION DOLLARS.

THE KRAUSS-MAFFEI CONCEPT INVOLVES THE FULLY-AUTOMATED OPERATION OF MAGNETICALLY SUPPORTED VEHICLES ON AN EXCLUSIVE RIGHT-OF-WAY.

THE SYSTEM WILL BE ADVANCED TO THE TESTING STAGE BY THE FALL OF 1974 AND WILL BE IN OPERATION PRIOR TO THE OPENING OF THE CANADIAN NATIONAL EXHIBITION IN 1975, WHEN THE PUBLIC WILL BE INVITED TO BOARD THE SYSTEM FOR A DEMONSTRATION RIDE.

THE DEMONSTRATION PROJECT AT THE C.N.E. WILL BE AN ESSENTIAL ELEMENT IN THE INTRODUCTION OF THE NEW TRANSIT SYSTEM ON A LARGER SCALE IN ONTARIO MUNICIPALITIES. IT WILL INCORPORATE SHARP TURNS, STEEP GRADES AND OTHER FEATURES SIMULATING A TYPICAL URBAN ROUTE.

THE TRANSIT DEMONSTRATION PROGRAM ANNOUNCED ON MAY 1, IS THE FIRST STEP IN OUR PROGRAM OF DEVELOPING TRANSIT TECHNOLOGY, AND KRAUSS-MAFFEI'S CONCEPT FOR THE INTERMEDIATE CAPACITY TRANSIT SYSTEMS WILL PROVIDE A STRONG BASIS FOR THE CONTINUED SUCCESS OF THIS PROGRAM.

TODAY, I WANT TO ADD A SIGNIFICANT DIMENSION TO OUR URBAN TRANSPORTATION POLICY, AND OUTLINE THE THIRD STEP IN OUR DEVELOPMENT OF TRANSIT TECHNOLOGY; THAT IS, TO DESCRIBE THE INDUSTRIAL STRATEGY ASSOCIATED WITH OUR REQUIREMENTS FOR IMPROVED CONVENTIONAL TRANSIT TECHNOLOGY AND DEVELOPMENT OF NEW TECHNOLOGY.

FIRSTLY, I WOULD LIKE TO MAKE IT CLEAR THAT MY GOVERNMENT INTENDS TO TAKE THE LEAD IN CREATING IN CANADA A MAJOR TRANSIT RESEARCH AND MANUFACTURING INDUSTRY OF THE HIGHEST TECHNOLOGICAL ORDER.

TO ACCOMPLISH THIS, IT IS THE INTENTION OF THE GOVERNMENT OF ONTARIO TO INTRODUCE LEGISLATION DURING THE PRESENT SESSION OF THE LEGISLATURE TO SET UP A SPECIAL ACT COMPANY TO HOLD AND EXERCISE THE LICENSE RIGHTS ACQUIRED BY THE GOVERNMENT FROM KRAUSS-MAFFEI DURING OUR RECENT CONTRACT NEGOTIATIONS.

THE GOVERNMENT'S POSITION IN THOSE NEGOTIATIONS WAS THAT THE CONTRACT MUST PROVIDE FOR THE TRANSFER OF THE TECHNOLOGY TO BE DEMONSTRATED AT THE C.N.E. TO CANADIAN INDUSTRY AND THAT FURTHER DEVELOPMENT AND IMPROVEMENT OF THE SYSTEM ON THE TEST TRACK MUST BE CARRIED OUT BY CANADIAN DESIGN AND ENGINEERING EXPERTISE. IN ADDITION, FUTURE IMPLEMENTATION OF THESE SYSTEMS IN CANADIAN CITIES MUST BE PROVIDED BY CANADIAN COMMERCIAL ENTERPRISES, AND THAT CANADIAN INDUSTRY MUST HAVE AN EXPORT CAPABILITY WITH MARKET RIGHTS IN PRIME INTERNATIONAL MARKETS.

IN ORDER TO ACCOMPLISH THIS, WE TOOK THE FOLLOWING STEPS:

- (1) THE GOVERNMENT OF ONTARIO ACQUIRED EXCLUSIVE LICENSE RIGHTS TO ALL OF THE PRESENT AND FUTURE INTERMEDIATE CAPACITY TRANSIT TECHNOLOGY, INCLUDING ALL PATENTS AND INDUSTRIAL PROPERTY ASSOCIATED WITH THE KRAUSS-MAFFEI SYSTEM, FOR ANY APPLICATION IN CANADA.

THESE LICENSE RIGHTS INCLUDE A TRAINING AND KNOW-HOW TRANSFER PROVISION TO ENSURE OUR CAPABILITY OF APPLYING THE TECHNOLOGY TO CANADIAN OPERATING SITUATIONS.

- (2) IN ORDER TO ENSURE AN EXPORT MARKET FOR CANADIAN INDUSTRY, MY GOVERNMENT ACQUIRED NON-EXCLUSIVE LICENSE RIGHTS FOR THE SAME TECHNOLOGY IN CENTRAL AND SOUTH AMERICA AND A "MOST FAVOURED NATION" PROVISION FOR SALES TO THE BALANCE OF THE WORLD, WITH THE EXCEPTION OF THE EUROPEAN COMMON MARKET. SPECIAL PROVISIONS ALSO APPLY TO THE UNITED STATES MARKET WHERE WE RECEIVE 10 PER CENT OF ALL INCOME FROM THAT MARKET.
- (3) IN ORDER TO ENSURE, THAT EXPLOITATION OF THESE LICENSE RIGHTS WOULD BE CARRIED OUT BY THE PRIVATE SECTOR WE HAVE OBTAINED THE RIGHT TO SUB-LICENSE COMPANIES IN CANADA FOR THE MANUFACTURE AND SALE OF COMPLETE TRANSIT SYSTEMS, SUBSYSTEMS AND COMPONENTS.

- (4) TO ENSURE CANADIAN COMPETENCE IN THIS FIELD AND TO OBTAIN A HIGH DEGREE OF COMPETITION IN THE PRODUCTION AND DEVELOPMENT OF THE TECHNOLOGY, WE HAVE OBTAINED A CONTRACTUAL COMMITMENT THAT PRIOR TO MAY 1, 1974, KRAUSS-MAFFEI WILL ESTABLISH A CANADIAN CONTROLLED COMPANY IN CANADA TO HOLD ONE SUCH SUB-LICENSE. THIS COMPANY, LIKE OTHER SUB-LICENSEES, WILL PAY ROYALTIES TO THE GOVERNMENT OF ONTARIO.
- (5) IN ORDER TO ENSURE A CONTINUING FLOW OF TECHNOLOGY WE HAVE OBTAINED A CONTRACTUAL COMMITMENT FOR THE PROVISION OF FUTURE TECHNOLOGICAL DEVELOPMENT BY KRAUSS-MAFFEI.

IT IS THIS COMPLETE PACKAGE THAT WE ARE NOW READY TO OFFER TO CANADIAN INDUSTRY AND COMMERCE.

AS I STATED EARLIER, LEGISLATION WILL BE INTRODUCED DURING THE PRESENT SESSION TO CREATE A SPECIAL ACT COMPANY TO EXPLOIT THE LICENSE RIGHTS I HAVE JUST MENTIONED. THE ROLE OF THIS COMPANY WILL BE TO CO-ORDINATE AND PROMOTE THE DEVELOPMENT OF NEW ADVANCED TECHNOLOGY OF ALL TYPES RELATING TO THE PUBLIC TRANSIT FIELD AND TO INTEGRATE THIS DEVELOPMENT WITH THE DESIGN AND PRODUCTION OF CONVENTIONAL TRANSIT FACILITIES.

ONTARIO IS AWARE THAT THERE ARE MANY AREAS IN ADDITION TO INTERMEDIATE CAPACITY SYSTEMS WHERE RESEARCH AND DEVELOPMENT ARE URGENTLY NEEDED. THEREFORE, THIS COMPANY WILL ENGAGE IN A BROAD RANGE OF RESEARCH AND DEVELOPMENT PROJECTS AIMED AT PROVIDING SOLUTIONS TO OUR URBAN PROBLEMS.

IT WILL BE CAPABLE OF FUNDING RESEARCH INTO A NUMBER OF PROGRAMS IN TRANSIT INNOVATION. THE BASIC LICENSES PROVIDED BY THE KRAUSS-MAFFEI CONTRACT WILL PROVIDE A CONTINUOUS FUNDS FLOW TO SUPPORT THIS NEEDED RESEARCH.

THE COMPANY WILL, AS A PRIME CONDITION, ALWAYS SEEK TO EXPLOIT ITS RESEARCH AND DEVELOPMENT PROGRAMS, AND TO MARKET THEM THROUGH THE PRIVATE SECTOR IN ONTARIO AND IN CANADA. OUR INTENTION IS TO BRING THE FULL WEIGHT OF OUR INDUSTRIAL, COMMERCIAL AND ACADEMIC SECTORS BEHIND OUR URBAN TRANSIT PROGRAM.

TODAY'S ANNOUNCEMENT IS A BOLD AND INNOVATIVE STEP IN OUR URBAN TRANSIT DEVELOPMENT; HOWEVER, IT IS NOT A DEPARTURE FROM OUR PRESENT EVOLUTION AS ONTARIO IS ALREADY DEEPLY INVOLVED IN THE DEVELOPMENT OF THE TRANSIT INDUSTRY IN THE PROVINCE.

FIRST, AS A DIRECT PURCHASER, INCLUDING THE PURCHASE OF GO TRANSIT AND DIAL-A-BUS EQUIPMENT;

AND SECOND, AS A FINANCIER, THROUGH OUR 75 PER CENT CAPITAL ASSISTANCE PROGRAM.

THIRDLY, THE GOVERNMENT HAS ASSUMED THE ROLE OF DEVELOPER BY PROVIDING THE DEMONSTRATION TRACK FOR THE INTERMEDIATE CAPACITY TRANSIT SYSTEM TO BE ESTABLISHED AT THE C.N.E. GROUNDS IN TORONTO.

FOURTH, THE MINISTRY OF TRANSPORTATION AND COMMUNICATIONS WILL TAKE ON THE ROLE OF DESIGNER, THROUGH SUPERVISION OF DESIGN IMPROVEMENTS RESULTING FROM THE TESTING PROGRAM AT THE C.N.E. TRACK.

AND FINALLY THE ONTARIO GOVERNMENT WILL NOW CREATE A NEW AND DYNAMIC ROLE FOR INDUSTRY, BUSINESS AND OUR UNIVERSITIES IN JOINING IN THIS EXCITING PROGRAM.

A SPECIAL INVITATION IS NOW EXTENDED TO INDUSTRIAL AND COMMERCIAL ENTERPRISES IN ONTARIO TO JOIN AND PARTICIPATE WITH US IN THIS ENDEAVOUR.

I BELIEVE THAT BY DEVELOPING AN INTEGRATED GOVERNMENT-INDUSTRY PROGRAM, BUILT ON AN ESTABLISHED DOMESTIC MARKET, THE EXPORT POTENTIAL FOR A FULL RANGE OF CANADIAN-PRODUCED TRANSIT EQUIPMENT CAN BE EXPLOITED TO THE MAXIMUM.

THE PRINCIPAL OBJECTIVES OF THE INDUSTRIAL PROGRAM BEING DEvised BY THIS GOVERNMENT ARE (1) TO ASSIST IN THE SOLUTION OF ONTARIO'S URBAN TRANSPORTATION PROBLEMS AND (2) TO DEVELOP AN INDUSTRIAL CAPABILITY IN CANADA IN ADVANCED TRANSPORTATION SYSTEMS.

THE IMPETUS THAT WILL MAKE THIS POTENTIAL A REALITY AND PROJECT IT INTO THE INTERNATIONAL ARENA WILL DEPEND AS MUCH ON THE CO-OPERATION OF ALL LEVELS OF GOVERNMENT -- MUNICIPAL, PROVINCIAL AND FEDERAL -- AND PARTICIPATION BY THE PRIVATE SECTOR OF THE ECONOMY, AS IT WILL ON THE AVAILABILITY OF NECESSARY PLANT AND THE NECESSARY SCIENTIFIC SKILLS.

THE TRANSPORTATION PROBLEMS IN ONTARIO'S URBAN CENTRES ARE SIMILAR TO THOSE IN OTHER URBAN AREAS THROUGHOUT CANADA; AND MANY OF THE SOLUTIONS DEVELOPED UNDER OUR PROGRAM WILL HAVE APPLICATION ACROSS THE COUNTRY.

FOR THIS REASON I HAVE INVITED THE GOVERNMENT OF CANADA TO JOIN WITH US IN THIS ENDEAVOUR. WE HAVE DISCUSSED THIS PROGRAM WITH THE FEDERAL MINISTER OF TRADE, INDUSTRY AND COMMERCE AND HAVE ASSURANCES THAT THE GOVERNMENT OF CANADA, THROUGH ITS WORLD-WIDE INDUSTRIAL PROMOTION ACTIVITIES, WILL FACILITATE THE ENTRY OF CANADA'S TRANSIT PRODUCTS INTO EXPORT MARKETS.

I AM HOPEFUL THAT THE GOVERNMENT OF CANADA WILL TAKE AN EVEN LARGER ROLE, PARTICULARLY AS CANADIANS AS A WHOLE WOULD SHARE IN MANY OF THE BENEFITS ACCRUING TO THE PROGRAM, INCLUDING INDUSTRIAL EXPANSION AND A CANADIAN CAPABILITY TO COPE WITH THE COUNTRY'S URBAN TRANSPORT PROBLEMS ON A NATIONAL BASIS. CANADA WOULD ALSO BE PROVIDED WITH THE OPPORTUNITY TO DEVELOP A WORLD LEAD IN THIS AREA OF ADVANCED TECHNOLOGY AND FURTHER DEVELOP OUR COUNTRY'S SCIENTIFIC PROGRAMS. IT IS HOPED THAT OUR PROGRAM WILL BRING ABOUT A POOLING OF NATIONAL SCIENTIFIC TALENT IN THIS AREA.

CANADA HAS THE TECHNOLOGICAL, INDUSTRIAL AND COMMERCIAL SKILL. WE HAVE A CAPABILITY TO LEAD IN THIS NEW FIELD AND WE HAVE A SUBSTANTIAL DOMESTIC MARKET TO PROVIDE THE BASE FOR ALL OF THESE ACTIVITIES.

THE ESTIMATED CANADIAN MARKET FOR THE NEW INTERMEDIATE CAPACITY TRANSIT SYSTEM COULD REACH \$3-BILLION. THIS LEVEL OF INVESTMENT WOULD EMPLOY APPROXIMATELY 15,000 WORKERS FOR A TEN-YEAR CONSTRUCTION PERIOD.

THE ANNUAL CANADIAN DEMAND FOR CONVENTIONAL TRANSIT SYSTEMS ALONE, ROLLING STOCK AND AUXILIARY EQUIPMENT -- IS EXPECTED TO DOUBLE OVER THAT OF THE 1960'S BY THE EARLY 1980'S. MEETING THIS DEMAND COULD INCLUDE THE MANUFACTURE OF MODERNIZED VERSIONS OF TROLLEY BUSES AND STREETCARS, DOUBLE DECKERS, AND NEW VEHICLES FOR EXPRESS ROUTES.

THIS NEED IS THERE AND IN THE ABSENCE OF THE PRIVATE SECTOR MEETING THAT NEED, THE ONTARIO GOVERNMENT IS ACTING NOW TO MOVE TOWARD THE DEVELOPMENT OF A TRULY CANADIAN TRANSIT INDUSTRY AND WE INTEND IN EVERY POSSIBLE WAY TO ENCOURAGE PARTICIPATION BY PRIVATE CANADIAN COMPANIES. RESEARCH AND DEVELOPMENT OF NEW TRANSIT PRODUCTS IN THE PRIVATE SECTOR IS ESSENTIAL TO THE SUCCESS OF THE OVER-ALL INDUSTRIAL STRATEGY. FOR THIS REASON WE HAVE OBTAINED THE RIGHTS TO THE INTERMEDIATE CAPACITY TRANSIT TECHNOLOGY AND WILL BE SEEKING CANADIAN INDUSTRIAL PARTNERS TO PARTICIPATE IN ITS DEVELOPMENT. THE SPECIAL ACT COMPANY WILL BE THE PRIME VEHICLE FOR ACCOMPLISHMENT OF THIS OBJECTIVE.

FURTHER DETAILS ON THE SPECIAL ACT COMPANY AND THE INDUSTRIAL STRATEGY GENERALLY, WILL BE SPELLED OUT LATER THIS YEAR AT A TRANSIT INDUSTRY CONFERENCE TO BE HOSTED BY ONTARIO'S MINISTER OF INDUSTRY AND TOURISM. THIS CONFERENCE WILL PROVIDE INDUSTRIAL LEADERS FROM ACROSS CANADA WITH A FULL BRIEFING ON THE ENTIRE TRANSIT DEVELOPMENT PROGRAM.

THE OVERALL CONCEPT IS BOTH REALISTIC
AND ATTAINABLE, AND WE HAVE THE RESOURCE POTENTIAL
IN THIS COUNTRY TO GET ON WITH THE JOB.

WE INTEND TO GET ON WITH THE JOB.
BY SO DOING, WE WILL BENEFIT OUR PEOPLE, OUR
CITIES AND OUR URBAN ENVIRONMENT. WE WILL
ALSO BE STRENGTHENING OUR ECONOMIC BASE IN AN
INCREASINGLY COMPETITIVE WORLD BY DEVELOPING
INDUSTRIAL SKILLS THAT WILL MAKE ONTARIO AND CANADA
LEADERS IN THE VITALLY IMPORTANT FIELD OF URBAN
TRANSPORTATION.

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REMARKS BY
THE HONOURABLE WILLIAM G. DAVIS
PREMIER OF ONTARIO

TUESDAY, MAY 29TH, 1973
INN-ON-THE-PARK, TORONTO

ANNUAL CONVENTION
AUTOMOBILE DEALER ASSOCIATIONS OF ONTARIO

I REALIZE IN APPEARING BEFORE AN AUDIENCE SUCH AS THIS THAT I AM ADDRESSING FIRM BELIEVERS IN THE FREE ENTERPRISE SYSTEM. I REALIZE, TOO, THAT SOME OF YOU SUSPECT THAT THE FREE ENTERPRISE SYSTEM IS BEING ERODED BIT BY BIT AS A RESULT OF VARIOUS GOVERNMENT CONTROLS AND REGULATIONS.

THIS LATTER BELIEF IS SOMETHING I'D LIKE TO EXAMINE A LITTLE LATER ON, BUT I WANTED YOU TO KNOW AT THE OUTSET OF MY REMARKS THAT I AM AWARE THAT THIS UNEASE EXISTS IN THE MINDS OF SOME MEMBERS OF YOUR INDUSTRY AS WELL AS IN THE MINDS OF A NUMBER OF PEOPLE IN OTHER AREAS OF THE PRIVATE SECTOR.

FIRST, HOWEVER, LET US CONSIDER THE AUTOMOBILE INDUSTRY -- AND YOUR VITAL ROLE WITHIN IT AS FRANCHISED DEALERS -- IN TERMS OF ITS IMPORTANCE IN THE ECONOMIC LIFE OF THIS COUNTRY AND ESPECIALLY THIS PROVINCE.

IT IS NO EXAGGERATION TO SAY THAT ITS IMPORTANCE IS IMMENSE. AND WHILE ITS IMMENSITY IS READILY APPARENT IN DOLLARS AND CENTS, THE MOTOR VEHICLE INDUSTRY'S HEALTH CAN BE TRANSLATED INTO VERY BASIC AND VERY HUMAN TERMS IN THE SENSE THAT IT HAS A GREAT DEAL TO DO WITH WHAT IS BEING SERVED ON THE DINNER TABLES OF MANY A FAMILY THROUGHOUT THIS PROVINCE.

IT IS THE LARGEST MANUFACTURING INDUSTRY IN BOTH ONTARIO AND CANADA -- AND ONTARIO IS FORTUNATE TO HAVE WITHIN ITS BORDERS APPROXIMATELY 90 PER CENT OF THIS ACTIVITY. BUT ITS ECONOMIC AND EMPLOYMENT IMPACT DOES NOT BEGIN AND END WITH ASSEMBLY LINES IN OSHAWA, OAKVILLE, BRAMPTON AND WINDSOR. ITS CUMULATIVE EFFECT GOES FAR BEYOND THAT.

ONE WAY OR THE OTHER, IT REACHES INTO EVERY REGION OF THE PROVINCE AS A RESULT OF ITS EFFECT ON SUPPLYING AND OTHER RELATED INDUSTRIES AND THEIR EMPLOYEES. AND ON THE NEIGHBORHOOD OR COMMUNITY LEVEL, ITS IMPACT IS MOST IMMEDIATELY AND VISIBLY REPRESENTED BY HOW WELL MEMBERS OF YOUR ASSOCIATION ARE DOING, AND ESPECIALLY IN SMALLER COMMUNITIES. A STRANGER IN TOWN, FOR INSTANCE, CAN DO NO BETTER TO GET A GENERAL IDEA OF THE ECONOMIC CLIMATE THAN TO VISIT THE LOCAL CAR DEALERSHIP OR DEALERSHIPS AND ASK, VERY SIMPLY: "HOW'S BUSINESS?" IF I MAY USE AN AUTOMOTIVE FIGURE OF SPEECH, THE HEALTH OF A DEALER'S BUSINESS IS A PRETTY ACCURATE ECONOMIC DIPSTICK.

THIS IS NOT SURPRISING WHEN YOU CONSIDER THAT IN 1971, THE LAST YEAR FOR WHICH FIGURES ARE AVAILABLE, THE ASSEMBLY AND PARTS MANUFACTURING INDUSTRY ALONE PROVIDED ON A MONTHLY AVERAGE CLOSE TO 82,000 JOBS, TO SAY NOTHING OF THE THOUSANDS EMPLOYED IN ONE CAPACITY OR ANOTHER BY DEALERSHIPS IN EVERY SECTION OF THE PROVINCE, AND THOSE EMPLOYED IN OTHER RELATED INDUSTRIES.

THESE ARE JOBS, A LOT OF JOBS, AND ANY GOVERNMENT -- FEDERAL, PROVINCIAL OR MUNICIPAL -- HAS TO BE COGNIZANT OF THE EMPLOYMENT PROVIDED BY THE AUTOMOBILE INDUSTRY. EVEN THOUGH ONTARIO HAS DONE BETTER WITH RESPECT TO EMPLOYMENT THAN ANY OTHER REGION OF CANADA, THE OVERALL LEVEL OF UNEMPLOYMENT COMBINED WITH A RAPIDLY GROWING LABOUR FORCE IS A PROBLEM THAT CONTINUES TO BESET EVERY GOVERNMENT IN CANADA. IT IS ONE THAT MUST BE TACKLED AND SOLVED THROUGH COMBINED FEDERAL AND PROVINCIAL STRATEGY AND THROUGH ACTION BOTH AT HOME AND ABROAD.

QUITE APART FROM WHAT I CONSIDER TO BE THE VITAL CONTRIBUTION THE INDUSTRY MAKES TO THE PROVINCIAL ECONOMY IN TERMS OF EMPLOYMENT, THERE IS, OF COURSE, THE MATTER OF DOLLARS AND CENTS. IN THE AREA OF RETAIL TRADE, FOR EXAMPLE, THE VOLUME OF BUSINESS DONE BY ALL MOTOR VEHICLE DEALERS IN ONTARIO LAST YEAR CAME TO JUST OVER TWO BILLION DOLLARS, WHICH WAS AN INCREASE OF 10 PER CENT OVER THE PREVIOUS YEAR. IN VIEW OF WHAT I SAID A MOMENT AGO CONCERNING THE AUTOMOBILE INDUSTRY AND ITS DEALERS BEING A GOOD ECONOMIC INDICATOR, I FIND THESE FIGURES HEARTENING.

I WON'T BURDEN YOU WITH OTHER FIGURES, SUCH AS UNITS OF PRODUCTION AND NEW MOTOR VEHICLE SALES AND THE LIKE, EXCEPT TO SAY THAT IN EACH CATEGORY THE 1972 FIGURES SHOW CONSIDERABLE PERCENTAGE INCREASES OVER 1971. AGAIN, I FIND THIS HEARTENING, ESPECIALLY SINCE OUR RESEARCH INDICATES THAT OVER THE PAST FEW DECADES THERE HAS BEEN A CLOSER RELATIONSHIP BETWEEN AUTOMOBILE SALES AND CHANGES IN CONSUMER INCOME THAN BETWEEN SALES AND THE CHANGES IN THE PRICE OF VEHICLES. IN A WORD, MANY PEOPLE WOULD APPEAR TO HAVE MORE IN THE WAY OF DISPOSABLE INCOME -- OR WHAT THEY IN THEIR OWN MINDS DEEM TO BE DISPOSABLE INCOME -- THAN USED TO BE THE CASE.

(I SAY "WHAT THEY DEEM TO BE DISPOSABLE INCOME" SIMPLY BECAUSE I'M REMINDED OF A NEW YORKER CARTOON I ONCE SAW IN WHICH THE HUSBAND HAS FINISHED GOING OVER A PILE OF BILLS AND THEN TURNS TO HIS WIFE AND SAYS: "WE'RE IN DEBT BEYOND OUR WILDEST DREAMS.")

IN VIEW OF THE IMPORTANCE OF ALL SEGMENTS OF THE AUTOMOBILE INDUSTRY TO OUR ECONOMY, WE IN GOVERNMENT NATURALLY WISH TO SEE THE INDUSTRY REMAIN HEALTHY AND COMPETITIVE.

AS YOU ARE PROBABLY AWARE, CANADA AND ONTARIO ARE FACED WITH SOME PROBLEMS THAT RESULT BOTH FROM DOMESTIC CIRCUMSTANCES AND FROM INTERNATIONAL TRADE CONDITIONS. OVER THE PAST FEW YEARS WE HAVE SEEN RAPID AND DRAMATIC CHANGES IN WORLD TRADE PATTERNS. WE HAVE SEEN THE EMERGENCE OF ENORMOUS TRADING BLOCS FROM WHICH CANADA HAS BEEN EXCLUDED.

MUCH OF CANADA'S TRADE, HOWEVER, WILL OF NECESSITY CONTINUE TO GRAVITATE TOWARD WESTERN HEMISPHERE NATIONS AND IN PARTICULAR THE UNITED STATES. DIVERSIFICATION OF TRADE WILL UNDOUBTEDLY BE VALUABLE TO US IN THE LONG RUN, BUT FOR NOW OUR IMMEDIATE ATTENTION MUST BE DIRECTED TO TRADE WITH THE UNITED STATES -- ACCOUNTING AS IT DOES FOR MORE THAN 80 PER CENT OF ONTARIO'S EXPORTS.

THIS BEING THE CASE, THE EVENTS OF AUGUST, 1971, HAVE LASTING IMPACT. AT THAT TIME PRESIDENT NIXON TOOK SOME MAJOR INITIATIVES TO CORRECT THE INCREASING DETERIORATION OF THE UNITED STATES BALANCE OF PAYMENTS. SOME OF THE MEASURES WERE SHORT-LIVED AND HAVE NOW LAPSED.

THERE WERE OTHERS, OF GREATER TIME SPAN, WHICH MAY, ULTIMATELY, HAVE PROFOUND EFFECTS ON NORTH AMERICAN TRADING PATTERNS. HERE I REFER PRINCIPALLY TO THE DISC REGULATIONS. PUT VERY BRIEFLY, THESE REGULATIONS PROVIDE AN INCENTIVE FOR AMERICAN COMPANIES TO MANUFACTURE IN THE U.S. AND EXPORT TO CONSUMERS ABROAD RATHER THAN HAVE THEIR SUBSIDIARIES ABROAD DO THE MANUFACTURING.

IN THESE CIRCUMSTANCES OUR ATTENTION NATURALLY TURNS TO THOSE INDUSTRIES THAT ARE VITAL TO THE WELL-BEING OF CANADA, AND THE AUTOMOBILE INDUSTRY IS CLEARLY AMONG THESE, AS I'VE ALREADY INDICATED.

MUCH OF THE INDUSTRY'S GROWTH IN RECENT YEARS HAS STEMMED FROM THE AUTO PACT, WHICH HAS ENABLED CANADA TO ELIMINATE A DEFICIT OF ALMOST \$1 BILLION PER YEAR IN TRADE IN CARS AND PARTS WITH THE UNITED STATES. HOWEVER, IN OUR VIEW THE DISC LEGISLATION IS NOT IN THE SPIRIT OF THE AUTO PACT.

THE AUTO PACT STIPULATES THAT NO TARIFFS SHOULD APPLY TO CARS OR PARTS AT THE MANUFACTURER'S LEVEL BETWEEN THE TWO COUNTRIES. BUT THE DISC LEGISLATION CAN BE CONSTRUED AS A SELECTIVE DEVICE WHICH ACTS AS A REVERSE TARRIF OR SUBSIDY FAVOURING THE MANUFACTURE AND EXPORT OF PRODUCTS FROM THE UNITED STATES. IT IS OUR CONTENTION THAT THE DISC PROPOSALS SHOULD NOT APPLY IN CASES WHERE AN INTERNATIONAL TRADE AGREEMENT IS IN FORCE COVERING AN INDIVIDUAL INDUSTRY.

AS YOU KNOW, THE AUTO PACT IS TO BE THE SUBJECT OF BILATERAL NEGOTIATIONS BETWEEN OTTAWA AND WASHINGTON, AND I THINK IT IS IMPERATIVE THAT THE FEDERAL GOVERNMENT TAKE INTO ACCOUNT ONTARIO'S VIEWS ON THIS MATTER SINCE ONTARIO IS THE PROVINCE MOST VITALLY AFFECTED.

WHILE UNDER NO CIRCUMSTANCES SHOULD THE PACT BE TERMINATED, I THINK IT IS REALISTIC TO EXPECT THAT THERE WILL BE A NUMBER OF CHANGES IN THE EXISTING AGREEMENT. WHAT THE NATURE OF THOSE CHANGES WILL BE IS DIFFICULT TO DETERMINE AT THIS POINT, BUT I WOULD LIKE TO COMMENT ON ONE SUGGESTION MADE ON THIS SIDE OF THE BORDER THAT THE 15 PER CENT IMPORT DUTY ON NEW CARS FROM THE U.S. BE DROPPED AS A MEANS OF ENSURING THE PRESERVATION OF THE AUTO PACT IN SOME AMENDED FORM,

WE ARE NOT VERY RECEPTIVE TO THIS APPROACH. IN OUR VIEW, COMPLETE FREE TRADE IN NEW AND/OR USED MOTOR VEHICLES SHOULD NOT BE IMPLEMENTED. IT HAS NOT BEEN ESTABLISHED, FOR EXAMPLE, THAT THE INCREASED EFFICIENCY OF THE CANADIAN AUTOMOTIVE INDUSTRY MATCHES THAT OF ITS AMERICAN COUNTERPART AND THE VIABILITY OF THE CANADIAN INDUSTRY MUST BE ENSURED.

ALSO, A SIGNIFICANT SEGMENT OF THE AUTOMOBILE INDUSTRY, THE AUTOMOTIVE PARTS PRODUCERS, COULD BE SERIOUSLY AFFECTED BY TOTAL FREE TRADE AND THESE PRODUCERS MUST RECEIVE SOME PROTECTION IN ANY AMENDED AGREEMENT TO GUARANTEE THEIR SURVIVAL AND GROWTH. INDEED, IN ANY AMENDED AGREEMENT IT IS ESSENTIAL THAT THERE BE A SPECIFIC SAFEGUARD TO PROVIDE FOR THE RETENTION AND SUITABLE EXPANSION OF INDUSTRY EMPLOYMENT,

IN TALKING ABOUT SUCH THINGS AS THE AUTO PACT I AM IN EFFECT TALKING ABOUT GOVERNMENT ACTION AIMED AT ENSURING THE HEALTH AND VIABILITY OF PRIVATE SECTOR ACTIVITY, BUT THERE IS, OF COURSE, ANOTHER SIDE TO GOVERNMENT'S RELATIONSHIP WITH THE PRIVATE SECTOR THAT CONCERNS LEGISLATION AND REGULATION.

AS MEMBERS OF YOUR INDUSTRY ARE WELL AWARE, THE ERA OF CONSUMERISM IS UPON US AND I AM SURE THAT THE ENLIGHTENED MEMBERS OF YOUR INDUSTRY RECOGNIZE AND UNDERSTAND THE NEED FOR CONSUMER PROTECTION. I DON'T THINK THERE CAN BE ANY ARGUMENT OVER THIS NEED. AT THE SAME TIME, HOWEVER, I CONCEDE THAT THERE IS A LIMIT TO THE DEGREE OF CONSUMER PROTECTION THAT ANY INDUSTRY CAN PROPERLY BE EXPECTED TO EXTEND IN TERMS OF COST AND LABOUR AND THE OVERALL PRACTICAL ECONOMICS OF RUNNING A BUSINESS. NONETHELESS, THE TIDE OF CONSUMERISM IS SOMETHING THAT NO GOVERNMENT CAN IGNORE AND IT IS GOVERNMENT'S DIFFICULT TASK TO DECIDE HOW FAR IS FAR ENOUGH WHEN DRAFTING LEGISLATION IN THIS AREA.

DURING THE CURRENT SITTING OF THE LEGISLATURE JOHN CLEMENT, THE MINISTER OF CONSUMER AND COMMERCIAL RELATIONS, WILL BE PLACING BEFORE THE HOUSE WHAT IS KNOWN AS A GREEN PAPER OUTLINING A PRELIMINARY -- AND I STRESS THAT, PRELIMINARY -- POSITION OF HIS MINISTRY ON THE MATTER OF WARRANTIES AND GUARANTEES.

ALL OF THIS STEMS FROM THE ONTARIO LAW REFORM COMMISSION REPORT ON CONSUMER WARRANTIES AND GUARANTEES IN THE SALE OF GOODS, WHICH WAS TABLED IN THE LEGISLATURE IN THE SPRING OF LAST YEAR.

CONCERNING AUTOMOBILE WARRANTIES, THE COMMISSION IN ITS REPORT SAID IN PART, REFERRING TO WHAT IT TERMED THE "WARRANTY RACE" THAT BEGAN IN 1960:

"THE NET RESULT OF TEN YEARS' WARRANTY VARIATIONS BY THE MANUFACTURERS HAS BEEN TO CONFUSE THE CONSUMER (AND PROBABLY ALSO THE DEALER) AND HAS NOT LEFT HIM IN ESSENTIALLY ANY BETTER POSITION AT THE END THAN HE WAS AT THE BEGINNING. IT IS DIFFICULT TO BELIEVE SUCH EXERCISES PROMOTE CONFIDENCE IN THE FAIRNESS AND DEPENDABILITY OF AUTOMOBILE WARRANTIES."

THE COMMISSION ALSO, OF COURSE, DEALT WITH CONSUMER WARRANTIES AND GUARANTEES ISSUED BY OTHER INDUSTRIES AS WELL. THE MINISTRY OF CONSUMER AND COMMERCIAL RELATIONS WAS ASSIGNED THE RESPONSIBILITY OF REVIEWING THE REPORT AND DEVELOPING LEGISLATION.

THE GREEN PAPER WILL CONTAIN THE PROPOSED LEGISLATION AND THE VARIOUS INDUSTRIES AFFECTED AND THE PUBLIC WILL THEN BE INVITED TO GIVE THE MINISTRY THE BENEFIT OF THEIR VIEWS, BECAUSE IT IS RECOGNIZED THAT THERE WILL HAVE TO BE CONSIDERABLE DISCUSSION AND CONSULTATION WITH THOSE CONCERNED, ESPECIALLY SINCE THE LAW REGARDING WARRANTIES AND GUARANTEES IS HIGHLY TECHNICAL.

MEETINGS WILL BE ARRANGED WITH THE GROUPS OF INDUSTRIES INVOLVED TO TRY TO DEVELOP AN ACCEPTABLE MINIMUM WARRANTY. THESE MEETINGS WILL BE GROUPED INTO SUCH AREAS AS HOME ENTERTAINMENT, APPLIANCES AND, OF COURSE, AUTOMOBILES.

IN ORDER FOR LEGISLATION TO BE EFFECTIVE IN THIS AREA, IT MUST NOT ONLY ASSIST THE CONSUMING PUBLIC, BUT MUST BE FEASIBLE IN TERMS OF TECHNOLOGY AND ECONOMIC VIABILITY. THE GREEN PAPER AND THE RESULTS OF THE MINISTRY'S DISCUSSIONS WITH INDUSTRY WILL THEN RECEIVE SCRUTINY THROUGH PUBLIC HEARINGS TO DISCUSS THE PAPER AND THE FEASIBILITY AND ACCEPTABILITY OF THE PROPOSALS.

ON RECEIPT OF THE REPORT OF THE MEETINGS AND HEARINGS, THE MINISTRY WILL THEN BE IN A POSITION TO COMPLETE THE DRAFTING OF THE NECESSARY LEGISLATION WITH A VIEW TO INTRODUCING IT IN THE LEGISLATURE IN THE FALL FOR FIRST READING. IT WILL BE REINTRODUCED IN THE SPRING OF 1974 WHEN IT WILL BE THE GOVERNMENT'S INTENTION TO ENACT THE LEGISLATION.

I HAVE RECITED THIS PROCEDURE TO GIVE YOU SOME IDEA OF HOW WE ARE APPROACHING THIS IMPORTANT MATTER, WHICH WILL HAVE A SUBSTANTIAL EFFECT ON THE BUSINESS COMMUNITY. I DON'T THINK FROM WHAT I'VE SAID THAT WE COULD BE ACCUSED OF RUSHING IN BLINDLY AND WITHOUT TALKING THINGS OVER WITH THOSE PEOPLE DIRECTLY INVOLVED.

I KNOW THAT A NUMBER OF MEMBERS OF YOUR INDUSTRY HAVE EXPRESSED CONCERN OVER THE ABUSE OF THE CURRENT MECHANICAL FITNESS CERTIFICATE SYSTEM. ACCORDINGLY, I AM HAPPY TO INFORM YOU TODAY THAT GORDON CARTON, THE MINISTER OF TRANSPORTATION AND COMMUNICATIONS, INTENDS TO INTRODUCE LEGISLATION TO OVERCOME FRAUDULENT ISSUANCE OF MECHANICAL FITNESS CERTIFICATES AND WHICH WILL PLACE GREATER EMPHASIS ON THE CONTROL OF INSPECTIONS. IT WILL ENSURE THAT INSPECTIONS ARE OF HIGH QUALITY AND THAT THERE IS A UNIFORM STANDARD OF INSPECTIONS ACROSS THE PROVINCE.

ANOTHER CONCERN I HAVE HEARD RELATES TO ODOMETERS AND THE ABSENCE OF A FEDERAL LAW MAKING IT ILLEGAL TO TURN THEM BACK. ALL I CAN SAY IS THAT THE ONTARIO GOVERNMENT HAS BEEN PRESSING OTTAWA FOR OVER A YEAR AND A HALF NOW TO BRING OUT THE REGULATIONS. THE ACT ITSELF WHICH COVERS THIS, THE WEIGHTS AND MEASURES ACT, HAS YET TO BE PROCLAIMED, BASICALLY, I GATHER, BECAUSE IT WAS AN OMNIBUS BILL AND DETAILS PERTAINING TO WEIGHTS AND MEASURES HAVE STILL TO BE RESOLVED WITH THE INDUSTRIES CONCERNED. I CAN ASSURE YOU WE WILL CONTINUE URGING THE FEDERAL GOVERNMENT TO EXPEDITE THIS MATTER.

FINALLY, I WOULD JUST LIKE TO EXAMINE BRIEFLY WHAT SOME PEOPLE IN YOUR INDUSTRY AND OTHERS SINCERELY BELIEVE TO BE UNWARRANTED INTRUSION INTO THE ACTIVITIES AND OPERATION OF THE PRIVATE SECTOR.

NOBODY PARTICULARLY LIKES BIG GOVERNMENT, INCLUDING, BELIEVE IT OR NOT, BIG GOVERNMENT. I CAN PERSONALLY ATTEST THAT IT'S EASIER TO RUN A SMALL GOVERNMENT THAN A BIG GOVERNMENT.

BUT GOVERNMENT HAS GROWN AS THE POPULATION AND THE DEMAND FOR GOVERNMENT SERVICES HAS GROWN. SOCIETY, PARTICULARLY IN OUR URBAN AREAS, HAS BECOME INCREDIBLY COMPLEX. IN OTHER JURISDICTIONS IT HAS BECOME UNWIELDY AND ALMOST UNMANAGEABLE. WE DON'T INTEND TO ALLOW THAT TO HAPPEN IN ONTARIO, AND TO PREVENT IT HAPPENING THE GOVERNMENT'S FIRST MEASURE OF ANYTHING IT DOES IS WHETHER IT IS IN THE PUBLIC GOOD. THAT HAS TO BE THE FIRST MEASURE IN TODAY'S WORLD, AND QUITE FRANKLY, WHAT IS IN THE PUBLIC GOOD IS NOT ALWAYS EASILY RECONCILEABLE WITH THE INDIVIDUAL'S DESIRE TO DO AS HE PLEASES, EVEN WITHIN THE LAW. EVERYBODY FROM TIME TO TIME LOSES A LITTLE BIT OF WHAT HE ONCE THOUGHT OF AS BEING HIS FREEDOM OF CHOICE. THERE IS NO AVOIDING THIS FACT, IRRESPECTIVE OF WHAT POLITICAL PARTY IS IN OFFICE.

BUT IT IS GOVERNMENT'S DUTY, ESPECIALLY A PROGRESSIVE CONSERVATIVE GOVERNMENT'S DUTY, TO STRIKE A SENSIBLE BALANCE BETWEEN REGULATION AND THE RIGHT OF INDIVIDUALS TO PURSUE THEIR INDIVIDUAL GOALS AND ACHIEVE THEIR INDIVIDUAL AMBITIONS.

WHEN THE CRY GOES OUT FOR MORE REGULATION OF THIS INDUSTRY OR THAT INDUSTRY, GOVERNMENT HAS TO DETERMINE WHETHER THE REQUEST REFLECTS THE GENUINE CONCERN OF ALL OF THE PEOPLE OR THE MAJORITY OF THE PEOPLE, OR WHETHER IN FACT IT IS NOTHING MORE THAN A WELL-ORGANIZED AND HIGHLY VOCAL PLOY OF THE PART OF SOME SPECIAL INTEREST GROUP TRYING TO ADVANCE ITS OWN SELF-SERVING CAUSE OR POLITICAL PHILOSOPHY.

IN THIS DAY OF MASS AND INSTANT COMMUNICATION IT IS NOT TOO DIFFICULT FOR A COMPARATIVELY SMALL GROUP OF PEOPLE TO APPEAR AS THOUGH THEY ARE REFLECTING THE CONCERNS OF ALL OF US AND SPEAKING ON OUR BEHALF.

I CAN ASSURE YOU THAT WHEN IT COMES TO THE REGULATION OF YOUR INDUSTRY OR ANY OTHER INDUSTRY, WE IN THE ONTARIO GOVERNMENT DO OUR BEST TO STRIKE THIS BALANCE I MENTIONED A MOMENT AGO. WE ARE THE INSTRUMENT OF THE PEOPLE'S WILL, WHICH IS AS IT SHOULD BE. GOVERNMENT HAS TO KEEP IN STEP WITH SOCIAL CHANGE, AS SHOULD THE PRIVATE SECTOR -- BECAUSE WHEREVER THE PRIVATE SECTOR DISPLAYS A SOCIAL AWARENESS AND RESPONSIBILITY, THE NEED FOR GOVERNMENT REGULATION USUALLY BECOMES NON-EXISTENT.

THANK YOU.

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REMARKS BY
THE HONOURABLE WILLIAM G. DAVIS
PREMIER OF ONTARIO

SKYLINE HOTEL, TORONTO
FRIDAY, JUNE 2ND, 1972

HERITAGE ONTARIO CONGRESS
BANQUET

ALL OF YOU GATHERED HERE FOR THIS THREE-DAY CONGRESS ARE EMBARKED ON A UNIQUE MISSION AND ENGAGED IN A UNIQUE EXPERIMENT. HERITAGE ONTARIO WILL SURELY BE ONE OF THE MOST COMPREHENSIVE EXAMINATIONS OF CANADIAN CULTURAL IDENTITY EVER UNDERTAKEN, AND I HOPE THAT AS SUCH IT WILL CONSTITUTE A LANDMARK IN THE EVOLUTION OF OUR SOCIETY HERE IN THIS PROVINCE AND, BY EXTENSION, OF OTHER SOCIETIES BEYOND OUR BORDERS.

I FIND IT ESPECIALLY PLEASING THAT THIS THREE-DAY CONGRESS IS NOT SOMETHING THAT HAS BEEN BORN OUT OF CRISIS, OR EVEN A SENSE OF IMPENDING CRISIS, AT LEAST NOT IN THIS PROVINCE.

BUT IT IS BEING HELD AT A TIME WHEN WE SEE CRISIS IN OTHER JURISDICTIONS AND OTHER CITIES, SOME OF THEM NOT TOO DISTANT FROM WHERE WE SIT TONIGHT. WE HAVE ONLY TO SWITCH ON THE RADIO OR TELEVISION TO LEARN OF COUNTRIES AND COMMUNITIES TORN BY CIVIL DISORDERS, WHERE EVEN THE MOST OPTIMISTIC AND CIVILIZED OF MEN DESPAIR OF OLD INJUSTICES EVER BEING RIGHTED, SO INGRAINED HAVE THEIR ROOT CAUSES BECOME IN THE MINDS AND ATTITUDES OF THOSE WHO PERSIST IN FIGHTING OLD BATTLES AND IN HARBOURING OLD PREJUDICES.

BY COMPARISON, ONTARIO COULD BE SAID TO BE AN ISLAND OF REASON AND RESTRAINT. THIS IS NOT TO SAY THAT THERE IS NO PREJUDICE IN ONTARIO NOW, OR THAT THERE NEVER HAS BEEN. I SUSPECT THAT THE SEEDS OF PREJUDICE AND SUSPICION ARE DORMANT IN MOST PEOPLE WHO INHABIT THIS PLANET; AND IN TROUBLED AND CONFUSING TIMES THEY ARE EASILY NURTURED AND BROUGHT TO TRAGIC FRUITION.

IT IS IN THIS LATTER RESPECT THAT WE IN ONTARIO HAVE BEEN FORTUNATE, AND ESPECIALLY SO IN THE YEARS FOLLOWING THE END OF THE SECOND WORLD WAR. WE EMERGED FROM THAT PARTICULAR CONFLICT WITH A HORRIFYING UNDERSTANDING OF WHAT THE ISOLATION OF VARIOUS GROUPS OF PEOPLE AS BEING THE CAUSE OF IMAGINED WRONGS CAN LEAD TO.

SINCE 1946, THREE AND A HALF MILLION PEOPLE HAVE IMMIGRATED TO CANADA AND OF THESE, TWO MILLION, OR MORE THAN HALF, HAVE SETTLED IN ONTARIO. OUR SHARE OF CANADIAN IMMIGRATION HAS STEADILY RISEN FROM 12 PER CENT IN 1901 TO 54 PER CENT IN 1970.

THESE FIGURES BECOME EVEN MORE SIGNIFICANT WHEN YOU CONSIDER THE COUNTRIES OF ORIGIN OF THESE NEW ARRIVALS AGAINST TRADITIONAL IMMIGRATION PATTERNS. WHEREAS PEOPLE

FROM THE BRITISH ISLES HAVE IN PAST YEARS ACCOUNTED FOR THE PREPONDERANCE OF IMMIGRATION, THIS HAS NOT BEEN THE CASE FOR SOME TIME. THE STEADY AND GROWING INFLUX OF PEOPLE OF NEITHER BRITISH NOR FRENCH EXTRACTION NOW COMPRISES THE MAJORITY OF NEWCOMERS.

ALL OF THESE FACTS PUT INTO VIVID PERSPECTIVE THE MANY ISSUES THAT CONFRONT US IN THE PROCESS OF DETERMINING AND GUIDING THE DIRECTION ONTARIO SOCIETY WILL TAKE IN THE YEARS AHEAD. BUT THEIR MOST CHALLENGING IMPLICATION IS THAT IN RESPONDING TO THEM WE WILL HAVE A UNIQUE OPPORTUNITY TO EVOLVE A SOCIETY THAT IS WITHOUT PARALLEL ANYWHERE.

I SUGGEST THIS IS POSSIBLE BECAUSE OF WHAT WE HAVE ACHIEVED IN ONTARIO TO DATE. THAT IS WHY I SAID A FEW MOMENTS AGO THAT THIS CONGRESS WAS NOT BORN OUT OF CRISIS. THUS FAR, WE IN ONTARIO HAVE A SOCIETY THAT WORKS, THAT FUNCTIONS WITH A MINIMUM OF FRICTION, ESPECIALLY CONSIDERING ITS MULTICULTURAL COMPOSITION. INDEED, IN TODAY'S WORLD IT SERVES AS A MODEL OF HOW PEOPLE FROM ALL PARTS OF THE GLOBE CAN LIVE TOGETHER IN RELATIVE HARMONY.

THIS IS DUE LARGELY, I BELIEVE, TO THE FACT THAT PEOPLE IN THIS PROVINCE ARE ALLOWED TO BE THEMSELVES.

AT FIRST GLANCE, THIS MAY SEEM TO BE THE MOST SIMPLE OF POLICIES; BUT IT IS ONE OF THE MOST DIFFICULT TO ADHERE TO. SO FAR WE HAVE SUCCEEDED, AND WE MUST CONTINUE TO SUCCEED.

BUT THERE ARE CERTAIN TORRENTS OF EMOTION IN THE HUMAN SPIRIT THAT HISTORY HAS PROVEN REPEATEDLY HAVE A TENDENCY TO OVERFLOW THE CONSTRAINTS OF BROTHERHOOD AND REASON WHEN A SOCIETY, TO FUNCTION AT ALL, HAS TO BECOME INCREASINGLY INTERDEPENDENT.

WE ALL GET ALONG WITH OUR NEIGHBOURS SO LONG AS OUR NEIGHBOURS LEAVE US ALONE. THIS ATTITUDE CHANGES, HOWEVER, WHEN WE BECOME SOMEWHAT DEPENDENT UPON OUR NEIGHBOURS AND THEY UPON US. THIS IS HAPPENING NOW INCREASINGLY, ESPECIALLY IN OUR URBAN AREAS, AND I SEE NO EVIDENCE TO SUGGEST THAT THIS TREND IS IN ANY WAY IRREVERSIBLE.

THAT IS WHY I CONSIDER THIS CONGRESS TO BE OF EXTREME IMPORTANCE, NOT ONLY TO ALL OF YOU PRESENT AS DELEGATES AS YOU LIVE OUT YOUR FUTURE YEARS, BUT TO YOUR CHILDREN AND THEIR CHILDREN AFTER THEM.

IT IS ALSO WHY I CONSIDER THE TIMING OF THIS CONGRESS TO BE APPROPRIATE. IT IS NOT BEING HELD IN THE NICK OF TIME; IT IS NOT BEING HELD AFTER THE FACT; IT IS BEING HELD AT A POINT AT WHICH THERE IS STILL PLENTY OF TIME FOR CONSIDERED JUDGMENTS AND SUGGESTIONS TO BE MADE.

I AM SURE THAT IN SOME OF YOUR SESSIONS A NUMBER OF GRIEVANCES WILL BE AIRED AND EXCHANGED. THAT IS GOOD AND IT IS TO BE EXPECTED. BUT I WOULD HOPE THAT THE AIRING AND EXCHANGE OF GRIEVANCES WILL NOT OCCUPY ALL OF YOUR DELIBERATIONS, SINCE THIS TYPE OF DISCUSSION IS INVARIABLY REACTIVE IN NATURE.

GRIEVANCES, ONCE VENTED, HAVE A TENDENCY TO HANG IN EMPTY AIR AND FORM A CLOUD THAT CASTS A LONG SHADOW OVER THE PROCEEDINGS. THESE PROCEEDINGS, I BELIEVE, SHOULD IN THE SHORT TIME AVAILABLE PASS BEYOND THE REACTIVE PHASE AND INTO THE ANTICIPATORY PHASE.

WHILE IT IS TRUE THAT THE PAST IS INDICATIVE, THE FUTURE -- IN TERMS OF MATTERS YOU ARE DISCUSSING HERE -- SHOULD NOT BE INDEFINITE. EACH OF YOU IS AWARE

OF WHO YOU ARE, WHERE YOU OR YOUR FOREBEARS WERE BORN. YOU ARE AWARE OF YOUR CULTURAL HERITAGE, YOU ARE FREE TO RETAIN OF THAT HERITAGE WHAT YOU WISH AND YOU ARE FREE TO DISCARD THAT PART OF YOUR HERITAGE THAT YOU NO LONGER BELIEVE TO BE RELEVANT, OR TO BE INCONVENIENT, OR TO BE INCONSISTENT WITH NEWER VALUES THAT YOU HAVE CHOSEN TO EMBRACE.

THESE THINGS DO HAPPEN WITH PEOPLE OF ALL ORIGINS. THE DECISIONS MADE IN THIS REGARD ARE VERY PERSONAL, VERY SUBJECTIVE AND OFTEN EMOTIONALLY AGONIZING. THE POINT IS, THEY ARE MADE -- BUT IN THIS COUNTRY, AND CERTAINLY IN THIS PROVINCE, THEY ARE MADE ON THE BASIS OF FREE WILL. THEY ARE NOT IMPOSED FROM ABOVE BY GOVERNMENT, NOR SHOULD GOVERNMENT ALLOW THEM TO BE IMPOSED FROM WITHOUT IN RESPONSE TO PRESSURE FROM SPECIAL INTEREST GROUPS.

ALL I WOULD SAY IS THAT EVERY ONE OF US POSSESSES A HERITAGE OF BIRTHPLACE AND FOREBEARS, AND THAT BEFORE CHOOSING TO DISCARD THAT HERITAGE WE SHOULD BE EXTREMELY SELECTIVE AS TO WHAT IT IS WE ARE THINKING OF DISCARDING AND WHAT IT WILL DO TO US AS INDIVIDUALS IF WE DECIDE TO PROCEED.

SOME OF YOU, I AM SURE, HAVE MET INDIVIDUALS WHO HAVE EMBARKED ON A CONSCIOUS EFFORT TO REMAKE OR REMODEL THEMSELVES, TAILORING THEIR PERSONALITIES AND RE-ARRANGING THEIR CONVICTIONS TO GRASP THE OPPORTUNITY OF THE MOMENT. AND GRASPED IT THEY HAVE -- BUT ONLY FOR THE MOMENT. THEY DO NOT ENDURE; THEY CERTAINLY DO NOT PREVAIL.

SO FAR IN THESE REMARKS I HAVE AVOIDED USING THE WORD "ETHNIC," AND DELIBERATELY SO. IT IS A VALID WORD, IT HAS A DICTIONARY DEFINITION, BUT IT IS ONE WITH WHICH I FRANKLY DON'T FEEL VERY COMFORTABLE. SPEAKING VERY PERSONALLY HERE, I AM NOT PARTICULARLY AT EASE AT HAVING ANY PERSON INTRODUCED TO ME AS SO-AND-SO WHO REPRESENTS THIS ETHNIC GROUP OR THAT ETHNIC GROUP.

I WOULD FAR PREFER TO HAVE ANY INDIVIDUAL INTRODUCED TO ME BY NAME, AND NAME ALONE, AND AS A RESIDENT OF THIS PROVINCE AND THIS COUNTRY. THE INDIVIDUAL'S BACKGROUND, HIS CULTURAL HERITAGE, HIS HOPES AND FEARS WOULD BE REVEALED TO ME, I WOULD HOPE, IN THE COURSE OF NATURAL CONVERSATION -- RATHER THAN THROUGH THE PROCESS OF HAVING ME, SENSING THAT HE WAS NOT BORN IN BRAMPTON, ONTARIO, OR INDEED EVEN IN CANADA, ASKING THAT INDIVIDUAL WHERE HE CAME FROM.

I SENSE THAT MOST IMMIGRANTS TO MOST COUNTRIES MIGHT PREFER IT THAT WAY, ALSO. I CAN ATTEST TO THE FACT THAT THE RECIPIENT OF SUCH VOLUNTEERED KNOWLEDGE ENJOYS A SENSE OF UNFORCED ENLIGHTENMENT AND THAT THE VOLUNTEER OF SUCH KNOWLEDGE IS IN A POSITION TO DISPENSE IT WITH THE GRACE AND CHARM THAT COMES WITH A FEELING OF BELONGING TO THE COMMUNITY IN WHICH HE LIVES.

FOR THESE REASONS, THOUGH I AM AWARE OF THE NUMBER OF CULTURES AND COUNTRIES OF ORIGIN REPRESENTED HERE, I DO NOT INTEND TO DWELL UPON THE INVALUABLE CONTRIBUTIONS THAT EACH HAS MADE IN THE DEVELOPMENT OF THIS PROVINCE AND THIS COUNTRY. ALL OF YOU ARE AWARE OF THEM, OR YOU WILL BE MADE AWARE OF THEM DURING THE COURSE OF THIS CONGRESS, AND YOU WILL BE EXPLORING MEANS OF ENSURING THAT FUTURE GENERATIONS OF ONTARIANS AND CANADIANS WILL BE MADE AWARE OF THEM.

BUT I WOULD LIKE TO MAKE MENTION OF ONE GROUP OF ONTARIANS REPRESENTED HERE, SINCE ITS MEMBERS REPRESENT CANADA'S FIRST CITIZENS. I SPEAK OF THE CANADIAN INDIAN, AND I THINK IT IS INTERESTING TO REFLECT THAT THE DIRECTION IN WHICH OUR SOCIETY APPEARS TO BE MOVING BEARS MANY SIMILARITIES TO THE CIVILIZATION OF INDIAN INHABITANTS OF THIS LAND BEFORE THE ARRIVAL OF THE FIRST EUROPEANS.

IN THAT PARTICULAR CIVILIZATION, MAN WAS CONCEIVED OF AS BEING WITHIN -- AND A PART OF -- HIS ENVIRONMENT, RATHER THAN AS SOMEONE OUTSIDE HIS ENVIRONMENT AND OVERCOMING NATURE.

THE FIRST EUROPEAN SETTLERS, OF COURSE, DID NOT VIEW THINGS IN THAT LIGHT. THE TERRAIN, THE ENVIRONMENT WERE THINGS TO BE CONQUERED. THEN CAME THE INDUSTRIAL REVOLUTION AND INDEED WHAT IS NOW TERMED THE POST-INDUSTRIAL REVOLUTION. WE ENJOY THE MATERIAL REWARDS OF THESE EVENTS, BUT WE HAVE ONLY RECENTLY BEGUN PAYING ATTENTION TO THEIR INHERENT ECOLOGICAL PENALTIES.

SO NOW WE HAVE AN OVERWHELMING DESIRE TO RETURN TO NATURE, TO LIVE WITHIN OUR ENVIRONMENT AND BE PART OF IT. FIRST, WE HAVE TO FIND MEANS OF RESTORING AND ENHANCING OUR ENVIRONMENT -- MEANS THAT WILL DEMAND SOLUTIONS FROM THE TECHNOLOGY THAT HELPED PRODUCE SOME OF OUR PROBLEMS AND A RESOLVE ON THE PART OF ALL OF OUR CITIZENS TO DO WHAT THEY CAN AS INDIVIDUALS.

THEN THERE MUST COME THE RESPECT, THE CONTINUING RESPECT, FOR OUR ENVIRONMENT AND OUR ABILITY TO LIVE WITHIN IT AND SCRUPULOUSLY OBSERVE THE DICTATES OF NATURE.

WE CANNOT RETURN TO A SIMPLER TIME, BUT WE MUST CREATE A MORE SENSIBLE TIME, AND I BELIEVE THAT THE EXAMPLE OF OUR FIRST CITIZENS SHOWS THAT IT HAS BEEN DONE BEFORE AND THAT IT CAN BE DONE AGAIN.

INDEED, IN MANY RESPECTS, WE HAVE COME FULL CYCLE. WE HAVE COME TO CONCLUDE THAT THE TRUE MEASURE OF CIVILIZATION AND ITS SUPPORTING CULTURE IS NOT THE WEALTH AND POWER CREATED BY TECHNOLOGY, BUT RATHER THE EXTENT OF OUR SUCCESS IN IMPROVING WHAT HAS COME TO BE KNOWN AS THE QUALITY OF LIFE.

YOU HAVE HEARD MUCH ABOUT THE QUALITY OF LIFE OVER THE PAST FIVE OR SIX YEARS. MANY OF US IN OUR LIFETIME, AND CERTAINLY IN OUR PARENTS' LIFETIME, PROBABLY WOULD HAVE TERMED IT THE QUALITY OF EXISTENCE. BUT WE HAVE COME TO REALIZE THERE IS A DIFFERENCE BETWEEN MERELY EXISTING AND ACTUALLY LIVING A FULL AND VIBRANT LIFE.

WE ARE EMBRACING A NEW SCALE OF VALUES IN WHICH THE HUMAN CONDITION IS SLOWLY BEING GIVEN THE FIRST AND NOT THE SECOND PRIORITY. ONE WAY WE CAN ACCOMPLISH THIS IS BY CREATING A CULTURAL DIRECTION IN WHICH THE INDIVIDUAL REMAINS AN INDIVIDUAL, AND A VERY DISTINCT INDIVIDUAL. THIS IS YOUR PURPOSE AND I WOULD HOPE YOUR MISSION AT HERITAGE ONTARIO.

I HAVE LOOKED AT YOUR WORKSHOP OUTLINE AND SEEN THE QUESTIONS POSED. I BELIEVE YOU WILL COVER EVERY CONCEIVABLE ASPECT OF ONTARIO LIFE DURING YOUR DISCUSSIONS. IN SOME INSTANCES YOU WILL NOT BE ABLE, DURING THIS CONGRESS, TO ANSWER THESE QUESTIONS, EVEN IN A PRELIMINARY FORM, BUT AT LEAST THE DISCUSSIONS WILL HAVE BEEN COMMENCED.

IN OTHER INSTANCES, YOU MAY FIND THAT SOME OF THE QUESTIONS POSED BEG NO ANSWERS AT ALL -- THAT THEY ARE MERELY FACTS OF LIFE TO WHICH ALL ELEMENTS OF ONTARIO SOCIETY CAN ACCOMMODATE THEMSELVES TO, AND PERHAPS ALWAYS HAVE, OCCASIONALLY WITHOUT FULLY KNOWING IT, AND, UPON EXAMINATION, WITHOUT ANY REAL LOSS OF CULTURAL IDENTITY.

ONE OF YOUR ITEMS FOR DISCUSSION IS A PERENNIAL -- NAMELY, WHAT DOES BEING CANADIAN MEAN?

OUR NOVELISTS, PLAYWRIGHTS, JOURNALISTS, HISTORIANS, POLITICIANS AND INDIVIDUAL CITIZENS HAVE GRAPPLED WITH THIS ONE INCREASINGLY OVER THE PAST ONE HUNDRED YEARS.

THE ANSWERS, IF ANSWERS THEY BE, HAVE RANGED FROM THE CONCLUSION THAT OUR TRUE IDENTITY IS THAT WE HAVE NONE, TO THE NOTION THAT WE ARE A PEOPLE OF THE FOREST, THE SEA AND THE MOUNTAINS.

I HAVE NO ANSWERS TO THIS PARTICULAR QUESTION, SIMPLY BECAUSE I HAVE NEVER THOUGHT OF IT AS BEING A QUESTION.

RATHER I HAVE THOUGHT OF IT AS BEING A CONDITION OF EXISTENCE, OR, IF YOU WISH, A WAY OF LIFE, AND A VERY GOOD WAY OF LIFE IN COMPARISON TO OTHERS.

INCREASINGLY, I BELIEVE, THIS WILL BE THE YARDSTICK OF NATIONALITY AND THE MEASUREMENT BY WHICH CITIZENS OF A GIVEN COUNTRY WILL BE PREPARED TO MAINTAIN AND UPHOLD WHAT THEY HAVE ACHIEVED, AND WHAT HAS BEEN ACHIEVED BY THEIR FOREBEARS.

THROUGHOUT HISTORY, MEN AND WOMEN HAVE DIED AS SOLDIERS AND CITIZENS REPRESENTING A GIVEN PIECE OF GLOBAL REAL ESTATE OR A PARTICULAR RELIGION OR POLITICAL IDEOLOGY, AND UNFORTUNATELY WE KNOW THAT THIS CONTINUES.

BUT CANADA HAS PASSED BEYOND THIS VIEW OF A WORLD THAT BECAME OUTDATED, AT LEAST IN MY VIEW, ON AUGUST 6TH, 1945, IN HIROSHIMA. AND NONE OF US, IF WE NEEDED FURTHER EVIDENCE, WILL FORGET THE EVENTS OF OCTOBER, 1957, WHEN SPUTNIK ORBITED THE EARTH AND A NEW AGE WAS UPON US. THE MAPS OF OUR CHILDHOOD WERE NO LONGER THE FINITE DEFINITIONS OF WHO LIVED WHERE AND WHO RULED WHOM.

IN THIS COUNTRY OUR ATTENTION WAS DIRECTED INCREASINGLY TO MAKING THIS PIECE OF SPRAWLING REAL ESTATE THAT WE CALL CANADA A BETTER PLACE TO LIVE, NOT ONLY FOR THOSE WHO WERE BORN HERE, BUT FOR THOSE WHO CHOSE TO SETTLE HERE.

IN THIS PROVINCE, THE ONTARIO GOVERNMENT HAS DONE, AND WILL CONTINUE TO DO, AS BEST IT CAN IN THIS REGARD -- AND WE LOOK TO YOU FOR GUIDANCE, FOR YOU REPRESENT ONTARIO IN MICROCOSM. YOU ALSO REPRESENT THAT FINE TOLERANCE WHICH, AS I MENTIONED EARLIER, HAS BEEN RESPONSIBLE FOR ALLOWING THIS PROVINCE TO FUNCTION IN HARMONY THUS FAR; AND I AM SURE THAT OUT OF YOUR DISCUSSIONS WILL COME SUGGESTIONS AS TO HOW WE CAN MAINTAIN WHAT IT IS THAT WE ALREADY POSSESS, AND HOW WE CAN IMPROVE UPON IT.

I WOULD LIKE TO CONCLUDE BY RECOUNTING A CONVERSATION A MEMBER OF MY STAFF HAD EARLIER THIS WEEK WITH A GENTLEMAN WHO CAME TO THIS COUNTRY, AND TO ONTARIO, IN 1953 FROM EASTERN EUROPE. TO LEAVE HIS NATIVE COUNTRY HE HAD TO SNIP BARBED WIRE AND TRAVEL ON FOOT BY NIGHT.

HE WAS A GRADUATE OF A DISTINGUISHED UNIVERSITY, AND HE WAS ASKED WHY HE LEFT HIS NATIVE LAND AND HIS PARENTS. WAS HE NOT ALLOWED TO THINK?

"OH YES," HE SAID, "I WAS ALLOWED TO THINK, BUT I WASN'T ALLOWED TO SPEAK."

HE WAS ASKED IF HE HADN'T THOUGHT OF SETTLING IN THE UNITED STATES, RATHER THAN CANADA, TO WHICH HE REPLIED:

"IN 1953, CANADA WAS A FREER SOCIETY, AND I BELIEVE IT STILL IS."

FINALLY, HE WAS ASKED WHAT BEING A CANADIAN, WHICH HE NOW IS, MEANT TO HIM. HE PAUSED FOR QUITE AWHILE, AND THEN ANSWERED:

"BEING A CANADIAN ALLOWS ME TO BE ME."

THAT RESPONSE COMPRISES ONLY EIGHT WORDS; BUT I SUGGEST THAT IT PERHAPS ENCOMPASSES THE WHOLE RANGE OF MATTERS YOU WILL BE DISCUSSING HERE, AND PROVIDES AN OUTSIDE PERSPECTIVE AND OBJECTIVITY THAT SOME NATIVE-BORN CANADIANS DO NOT, FOR REASONS OF FAMILIARITY WITH THE STATUS QUO AS THEY HAVE KNOWN IT THROUGHOUT THEIR LIVES, POSSESS.

I BID YOU A WARM WELCOME TO THIS CONGRESS ON BEHALF OF THE PROVINCE, AND INDEED OF THE VARIOUS ELEMENTS OF OUR SOCIETY THAT YOU REPRESENT WITHIN THE ONTARIO COMMUNITY.

AS SPONSORS OF THIS UNIQUE GATHERING, MY GOVERNMENT LOOKS TO YOU FOR GUIDANCE, AND I AM SURE IT WILL BE FORTHCOMING.

THANK YOU.

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STATEMENT BY
THE HONOURABLE WILLIAM G. DAVIS
PREMIER OF ONTARIO

MONDAY, JUNE 4TH, 1973
MACDONALD BLOCK
QUEEN'S PARK

PARKWAY BELT: WEST
AND
NIAGARA ESCARPMENT
PROPOSALS

LADIES AND GENTLEMEN:

THREE BILLS OF HISTORIC AND FAR-REACHING SIGNIFICANCE WERE INTRODUCED IN THE LEGISLATURE THIS AFTERNOON BY THE PROVINCIAL TREASURER. THE PRESENTATION TODAY DEALS WITH TWO OF THOSE BILLS - THE PARKWAY BELT ACT AND THE NIAGARA ESCARPMENT ACT.

YOU WILL BE PROVIDED WITH INFORMATION KITS BEFORE YOU LEAVE OUTLINING IN DETAIL THE PROPOSALS CONTAINED IN THESE TWO PIECES OF LEGISLATION. THE SAME INFORMATION KITS HAVE BEEN GIVEN TO MEMBERS OF THE MEDIA.

I SHOULD STRESS AT THE OUTSET THAT THESE PROPOSALS, WHICH CONCERN THE FUTURE USE OF LAND IN THE CENTRAL ONTARIO REGION AND THE NIAGARA ESCARPMENT, SHOULD NOT BE INTERPRETED AS BEING THE FINAL OR DEFINITIVE PROPOSALS.

THEY DO, HOWEVER, REPRESENT A POLICY FRAMEWORK WITHIN WHICH THERE WILL BE PLENTY OF OPPORTUNITY AND ROOM FOR DEBATE, DISCUSSION AND AMENDMENT. THIS IS AS IT SHOULD BE, SINCE WHAT WE ARE EMBARKING UPON TODAY IS NOT ONLY AN IMPORTANT STEP BUT A PIONEERING ONE AS WELL.

IT IS NOT MY PURPOSE THIS AFTERNOON TO DISCUSS THESE PROPOSALS IN DETAIL. THIS WILL BE DONE IN A FEW MINUTES' TIME BY THE HONOURABLE BERT LAWRENCE, PROVINCIAL SECRETARY FOR RESOURCES DEVELOPMENT, AND THE HONOURABLE JOHN WHITE, PROVINCIAL TREASURER. HOWEVER, I DO FEEL IT INCUMBENT UPON ME TO SAY A FEW WORDS CONCERNING THE GOVERNMENT'S MOTIVATION IN THIS MATTER.

I AM SURE THAT ALL MEMBERS OF THE LEGISLATURE, AND ESPECIALLY THOSE FROM THE CENTRAL ONTARIO REGION AND CONSTITUENCIES ALONG THE NIAGARA ESCARPMENT, RECOGNIZE THE VITAL NECESSITY OF CHECKING URBAN SPRAWL, OF PRESERVING 'COMMUNITY IDENTITY AND OF ENSURING THAT THERE WILL ALWAYS BE SUFFICIENT GREEN SPACE AMONG' THE GREY.

I AM EQUALLY POSITIVE THAT THIS CONCERN IS SHARED BY THE MUNICIPAL REPRESENTATIVES AND OFFICIALS WHO HAVE BEEN INVITED HERE TODAY FROM THE AREAS TO WHICH THE PROPOSED LEGISLATION APPLIES.

I AM SURE, TOO, THAT COLLECTIVELY THE PUBLIC RECOGNIZES THIS NEED FOR SOME FORM OF CONTROL AND CONSIDERS IT TO BE A COMMENDABLE AND NECESSARY GOAL.

BUT TO ACHIEVE THIS GOAL CALLS FOR THE REGULATION OF LAND USE ON A SCALE HITHERTO UNKNOWN IN THE HISTORY OF THIS PROVINCE.

TRADITIONALLY, OWNERSHIP OF A PLOT OF LAND HAS BEEN AN INDIVIDUAL'S MOST CHERISHED MARK OF INDEPENDENCE, AND THERE WAS A TIME WHEN THE OWNER ENJOYED THE PRIVILEGE OF PUTTING HIS LAND TO WHATEVER USE HE CHOSE.

IN THIS CENTURY, HOWEVER, ZONING RESTRICTIONS BEGAN TO PROVIDE A CHECK AGAINST THE INDISCRIMINATE OR INCOMPATIBLE USE OF LAND -- THOUGH IN CERTAIN AREAS THERE IS EVIDENCE THAT ZONING BYLAWS ALONE CANNOT PRESERVE FOR THIS AND FUTURE GENERATIONS OUR LANDSCAPE AS WE WOULD LIKE IT TO BE AND AS WE WOULD WISH TO LEAVE IT FOR OUR CHILDREN.

NOW WE ARE FACED WITH THE THREAT OF URBAN SPRAWL -- A THREAT THAT IS CLEARLY VISIBLE. AS ELECTED REPRESENTATIVES WE CANNOT IGNORE IT. IF WE ARE TO HALT ITS ADVANCE AND TO CONTROL IT, ALL OF US -- WITH THE COOPERATION OF THE PRIVATE SECTOR -- MUST AGREE UPON SOME BASIC PRINCIPLES GOVERNING THE FUTURE USE OF OUR LAND.

THERE MAY BE THOSE WHO WILL SAY THAT WHAT WE ARE PROPOSING GOES TOO FAR. OTHERS MAY CONTEND THAT OUR PROPOSALS DO NOT GO FAR ENOUGH. WE FEEL THAT THE PRESENTATION YOU ARE ABOUT TO SEE TREADS A COURSE OF REASON BETWEEN EXTREME POINTS OF VIEW.

AS FAR AS IS POSSIBLE, THE VERY HUMAN FACTORS THAT ARE INVOLVED IN AN UNDERTAKING OF THIS SIZE AND COMPLEXITY WILL GUIDE US IN OUR DELIBERATIONS. INDIVIDUAL CONCERNS WILL NOT BE OVERLOOKED. WE MUST AND WE WILL GIVE FULL HEED AND UNDERSTANDING TO INDIVIDUAL ASPIRATIONS WITHIN THE FRAMEWORK OF OUR GROWING SOCIETY AND ITS NEEDS.

I AM SURE THAT ALL RESPONSIBLE CITIZENS OF THIS PROVINCE RECOGNIZE AND ACCEPT THE NEED FOR GOVERNMENT INITIATIVE IN HELPING DETERMINE THE FUTURE USE OF LAND IN ONTARIO.

HOW WE GO ABOUT IMPLEMENTING MEASURES TO MEET THIS NEED MUST OBVIOUSLY BE A MATTER OF PUBLIC DISCUSSION DIRECTED TOWARD REASONABLE AND REASONED CONSENSUS. THE IMPORTANT THING IS THAT THE DISCUSSION BEGIN AND THAT THE AWARENESS OF THE PROBLEM BE STIMULATED IN THE MINDS OF ALL OF OUR CITIZENS.

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THIS PROCESS IS WHAT WE ARE SETTING IN MOTION TODAY WITH THE INTRODUCTION OF THESE TWO BILLS AND WITH THE PRESENTATION THAT IS TO FOLLOW IMMEDIATELY -- A PRESENTATION, INCIDENTALLY, THAT HAS BEEN PUT TOGETHER PRIMARILY TO INFORM PEOPLE IN THE AREAS TO BE AFFECTED AND WHICH WILL BE SHOWN TO THEM IN THEIR RESPECTIVE COMMUNITIES.

I NOW TURN THE PROCEEDINGS OVER TO THE HONOURABLE BERT LAWRENCE.

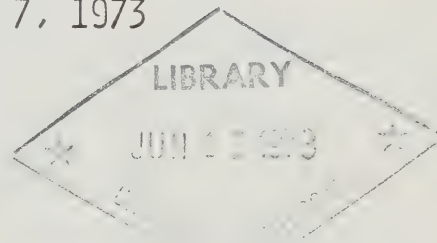
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STATEMENT BY
THE HONOURABLE WILLIAM G. DAVIS
PREMIER OF ONTARIO

TO THE LEGISLATURE
THURSDAY, JUNE 7, 1973



STATEMENT ON ENERGY

MR. SPEAKER:

I SHOULD LIKE TO COMMENT ON THE URGENT NEED FOR A NATIONAL ENERGY POLICY, BUT FIRST THERE ARE SOME CONSIDERATIONS AFFECTING THE ADMINISTRATION OF ENERGY IN THIS PROVINCE WITH WHICH I WOULD LIKE TO DEAL.

I SHOULD LIKE, MR. SPEAKER, TO INTRODUCE FIVE BILLS TO THE LEGISLATURE, AND TO TABLE THREE DOCUMENTS.

THE FIVE BILLS ARE AS FOLLOWS:

1. AN ACT TO AMEND THE POWER COMMISSION ACT.
2. AN ACT TO AMEND THE ONTARIO ENERGY BOARD ACT.
3. THE MINISTRY OF ENERGY ACT, 1973.
4. AN ACT TO REPEAL THE POWER CONTROL ACT.
5. AN ACT TO AMEND THE POWER COMMISSION INSURANCE AMENDMENT ACT 1973.

THE DOCUMENTS WHICH I AM TABLING ARE
AS FOLLOWS:

1. ONTARIO HYDRO'S PROPOSED GENERATION
DEVELOPMENT PROGRAM 1977-1982.
2. TASK FORCE HYDRO REPORT NO. 4 ENTITLED,
HYDRO IN ONTARIO: FINANCIAL POLICY AND
RATES.
3. A REPORT DIRECTED TO ME BEARING UPON ENERGY
POLICY NEEDS IN ONTARIO AND PREPARED BY MY
PARLIAMENTARY ASSISTANT, W. DARCY McKEOUGH.

MR. SPEAKER, THE ACTS TO REPEAL THE
POWER COMMISSION ACT AND TO AMEND THE POWER
COMMISSION INSURANCE AMENDMENT ACT 1973 ARE
HOUSEKEEPING MEASURES ONLY AND REQUIRE NO
FURTHER COMMENT AT THIS TIME.

THREE OF THE ACTS AND ALL OF THE
DOCUMENTS DO REQUIRE BRIEF COMMENT, HOWEVER.

FIRST, THE AMENDMENTS TO THE POWER COMMISSION ACT DESIGNATES ONTARIO HYDRO AS A CORPORATION, RATHER THAN A COMMISSION, IN RECOGNITION OF THE ARGUMENT, ADVANCED BY TASK FORCE HYDRO, THAT THE CORPORATE DESIGNATION AND THE CONCEPT OF A BOARD OF DIRECTORS IS APPROPRIATE TO ONTARIO HYDRO'S REDEFINED ROLE AND ITS NEW RELATIONSHIP TO THE GOVERNMENT.

UNDER THESE AMENDMENTS ONTARIO HYDRO WILL, VERY PROPERLY, CONTINUE TO BE ACCOUNTABLE TO THE LEGISLATURE. IT WILL CONTINUE TO BE CHARGED WITH DELIVERING POWER AT COST AND WITH SERVING THE BEST INTERESTS OF ALL THE PEOPLE OF ONTARIO. THE CORPORATE STRUCTURE, HOWEVER, WILL EMPHASIZE HYDRO'S OPERATIONAL INDEPENDENCE AND STRENGTHENS ITS ABILITY TO BE PROGRESSIVE AND TO CONDUCT ITS AFFAIRS IN ACCORDANCE WITH THE BEST PRINCIPLES OF ENLIGHTENED COMMERCIAL ENTERPRISE.

AT THE SAME TIME THIS ACT, IN CONJUNCTION WITH OTHERS BEING INTRODUCED TODAY, WILL PERMIT THE GOVERNMENT TO DEVELOP AN OVERALL POLICY FOR ENERGY WITHIN WHICH ONTARIO HYDRO WOULD OPERATE. NO LONGER IS IT APPROPRIATE FOR POLICY FOR ELECTRICAL ENERGY TO BE MADE WITHOUT REFERENCE TO POLICY ON OTHER FORMS OF ENERGY.

I SHOULD UNDERLINE THAT HYDRO'S NEW CORPORATE STRUCTURE WILL NOT IMPAIR THE FUNDAMENTAL RELATIONSHIP WHICH IT HAS ALWAYS ENJOYED WITH THE MUNICIPALLY-OWNED DISTRIBUTION UTILITIES.

SOME WEEKS AGO, MR. SPEAKER, I ANNOUNCED THAT THE GOVERNMENT WOULD WORK WITH THOSE CONCERNED TO ASSESS THE APPROPRIATENESS OF THE BOUNDARIES OF LOCAL ELECTRICAL COMMISSIONS IN ORDER TO PROVIDE THE BEST SERVICE WITHIN A GIVEN AREA. FURTHER, I STATED THAT IN AREAS WHERE REGIONAL GOVERNMENT HAS BEEN OR IS TO BE ESTABLISHED, EACH LOCAL CIRCUMSTANCE WOULD BE EVALUATED TO DETERMINE THE APPROPRIATE TIER OF REGIONAL GOVERNMENT TO WHICH A LOCAL ELECTRICAL COMMISSION SHOULD RELATE.

I AM PLEASED TO BE ABLE TO ANNOUNCE TODAY THAT THE MEMBERSHIP AND TERMS OF REFERENCE FOR THE "EXECUTIVE COMMITTEE FOR THE RESTRUCTURING OF PUBLIC UTILITIES" HAVE BEEN ESTABLISHED AND THAT THE COMMITTEE WILL BEGIN ITS WORK SHORTLY. IN BRIEF, THIS COMMITTEE WILL BE RESPONSIBLE FOR DEVELOPING PRINCIPLES AND GUIDELINES WITHIN WHICH THE RESTRUCTURING WILL TAKE PLACE ACROSS THE PROVINCE. I ANTICIPATE THE COMMITTEE WILL COMPLETE ITS WORK BY THE FALL OF THIS YEAR AT WHICH TIME DETAILED TECHNICAL STUDIES AND RESTRUCTURING AT THE LOCAL LEVEL CAN GET UNDERWAY.

I SHOULD EMPHASIZE, MR. SPEAKER, THE IMPORTANCE OF THIS PROJECT AND THE COMMITMENT THE GOVERNMENT HAS MADE FOR LOCAL INVOLVEMENT IN THE INDIVIDUAL STUDIES WHICH WILL COMMENCE ONCE THE OVERALL GUIDELINES HAVE BEEN ESTABLISHED. I SHOULD ALSO SAY THAT WHERE SIMILAR STUDIES ARE NOW IN PROGRESS IT IS OUR HOPE THAT THESE CAN BE INTEGRATED INTO THIS PROVINCE-WIDE STUDY.

MR. SPEAKER, THE GOVERNMENT HAS ACCEPTED THE CONCEPT OF RATE REVIEW FOR ELECTRICITY RATES AS RECOMMENDED BY TASK FORCE HYDRO IN ITS REPORT ON "HYDRO IN ONTARIO - FINANCIAL POLICY AND RATES". I AM TABLING THAT REPORT TODAY AND COMMEND IT TO THE ATTENTION OF HONOURABLE MEMBERS. THIS REPORT DEALS WITH AN ENORMOUSLY COMPLEX TOPIC; IT SUGGESTS A NEW APPROACH TO THE ESTABLISHMENT OF ELECTRICITY RATES WHICH WOULD INVOLVE PUBLIC PARTICIPATION WHILE ENABLING HYDRO TO MAINTAIN FINANCIAL STABILITY.

THE ENERGY BOARD ACT WILL BE AMENDED TO EXTEND THE RESPONSIBILITIES OF THE ONTARIO ENERGY BOARD TO INCLUDE A REVIEW OF ONTARIO HYDRO RATES. AT THE SAME TIME THE SIZE OF THE BOARD WILL BE ENLARGED TO ENABLE IT TO DEAL EFFECTIVELY WITH ITS NEW RESPONSIBILITIES.

MR. SPEAKER, WE CAN BE JUSTIFIABLY PROUD OF ONTARIO HYDRO'S EXCELLENT PERFORMANCE AS A PUBLIC UTILITY. ITS RECORD IS EQUALLED BY FEW UTILITIES IN NORTH AMERICA AND AROUND THE WORLD, AND ENVIED BY MANY. THAT WE HAVE BEEN WELL SERVED BY ONTARIO HYDRO AND THE MUNICIPAL ELECTRICAL COMMISSIONS SHOULD NOT BE OVERLOOKED OR TAKEN FOR GRANTED. ITS RECORD IS THE RESULT OF PEOPLE DEDICATED TO SERVING THE PUBLIC - AND THEY HAVE SERVED IT WELL.

WE MUST NOT BE COMPLACENT, HOWEVER, AND WE MUST BE PREPARED TO MAKE ADJUSTMENTS. IT IS WITH THIS IN MIND THAT THE AMENDMENTS TO THE POWER COMMISSION ACT AND THE ENERGY BOARD ACT ARE BEING INTRODUCED TODAY.

THE GOVERNMENT IS DEDICATED TO ENSURING ADEQUATE SUPPLIES OF ELECTRICITY AT COST TO THE PEOPLE OF ONTARIO. TO ACHIEVE THAT GOAL REQUIRES CAREFUL PLANNING. MR. SPEAKER, I AM TABLING TODAY AN EXAMPLE OF THE KIND OF PLANNING REQUIRED - NAMELY A COPY OF ONTARIO HYDRO'S GENERATION DEVELOPMENT PROGRAM FOR THE PERIOD 1977 - 1982.

WHILE IT IS THE GOVERNMENT'S INTENTION THAT SUCH PROGRAMS BE REVIEWED IN FUTURE BY THE ONTARIO ENERGY BOARD IN CONJUNCTION WITH APPLICATIONS FOR RATE CHANGES, THE NECESSARY MACHINERY IS NOT YET IN PLACE AND WILL NOT BE FOR SOME MONTHS. AS A CONSEQUENCE, THE GOVERNMENT HAS DECIDED NOT TO HOLD UP VITAL DECISIONS WHICH MUST BE MADE NOW IF WE ARE TO ENSURE CONTINUITY OF SUPPLY IN THE FUTURE BY WAITING FOR THE NECESSARY REVIEW MACHINERY. THE GOVERNMENT APPROVES IN PRINCIPLE THIS PROGRAM, SUBJECT TO THE USUAL INDIVIDUAL PROJECT APPROVAL PROCEDURES, SO THAT ONTARIO HYDRO CAN PROCEED WITH DETAILED PLANNING. IN ADDITION THE PROGRAM WILL BE REFERRED TO THE ONTARIO ENERGY BOARD FOR REVIEW AND AS A BASIS FOR EVALUATING ONTARIO HYDRO RATES.

MR. SPEAKER, I HAVE TABLED, FOR YOUR CONSIDERATION, A REPORT ON ENERGY PREPARED BY MR. W. DARCY McKEOUGH, MY PARLIAMENTARY ASSISTANT. THIS REPORT IS THE PRODUCT OF AN INTENSIVE STUDY AND SHOWS A KEEN AWARENESS AND UNDERSTANDING OF THE ISSUES FACING US TODAY IN THE FIELD OF ENERGY. IT IS MY HOPE AND EXPECTATION THAT THIS REPORT WILL BE REVIEWED AND DEBATED BY MEMBERS OF THE LEGISLATURE WHEN THESE BILLS ARE BROUGHT BEFORE THE HOUSE.

WHEN I ASKED MR. McKEOUGH TO TAKE ON THIS TASK I REQUESTED THAT HE RECOMMEND AN ADMINISTRATIVE AND POLICY STRUCTURE WHICH WOULD BEST SERVE THE PEOPLE OF ONTARIO RELATIVE TO THE SUPPLY, SECURITY AND PRICE OF ENERGY.

AS YOU WILL RECOLLECT THE ADVISORY COMMITTEE ON ENERGY PROPOSED THAT A MINISTRY OF ENERGY SHOULD BE FORMED. FOR REASONS WHICH MR. McKEOUGH HAS ENUNCIATED IN HIS REPORT, AND HAS ELABORATED IN CONVERSATIONS WITH ME, HE FELT THAT AT THIS TIME AN ENERGY SECRETARIAT SHOULD BE ESTABLISHED REPORTING TO THE PROVINCIAL SECRETARY FOR RESOURCES DEVELOPMENT.

I ESTEEM AND RESPECT HIS VIEWS. I AM, HOWEVER, PERSUADED THAT THE CONCERNS THAT RELATE TO ENERGY AND THE CRITICAL IMPORTANCE OF ENERGY TO THE LIFE OF THIS PROVINCE WOULD BEST BE SERVED BY THE ESTABLISHMENT OF A NEW MINISTRY.

MR. McKEOUGH'S REPORT PROPOSES ACTION, WHICH WHILE DIRECTED TO AN ENERGY SECRETARIAT, CAN BE APPLIED EQUALLY TO A MINISTRY. IT IS MY VIEW THAT THESE PROPOSALS FORM THE BASIS FOR A NEW ONTARIO ENERGY POLICY.

THE PROVINCIAL GOVERNMENT HAS SHOWN FORESIGHT IN THE MATTER OF ENERGY. LONG BEFORE THE PROBLEMS OF ENERGY AND PRICE HAD INTENSIFIED THIS GOVERNMENT HAD CORRECTLY READ THE TRENDS AND HAD PUT OUR TECHNICAL AND PROFESSIONAL PEOPLE TO WORK.

BUT IN SPITE OF THE FORESIGHT AND PREPAREDNESS OF THE GOVERNMENT OF ONTARIO I WOULD BE LESS THAN FRANK IF I FAILED TO WARN HONOURABLE MEMBERS THAT I AM DEEPLY CONCERNED AS TO THE SECURITY OF SUPPLY OF ENERGY AND AT A REASONABLE PRICE. THIS CONCERN STEMS FROM A POLICY VACUUM IN OTTAWA AND THE INAPPROPRIATENESS FOR THESE TIMES OF WHAT IS CALLED OUR NATIONAL ENERGY POLICY.

IN MY VIEW A NATIONAL ENERGY POLICY IS AN ENERGY POLICY THAT BEST SERVES THE PEOPLE OF CANADA - THE NATIONAL INTEREST. NOT SOME OTHER NATION.

ON MARCH 9 OF THIS YEAR, MR. McKEOUGH MADE A SPEECH IN SARNIA IN WHICH HE PROPOSED THAT A THREE-PRICE SYSTEM FOR NATURAL GAS SHOULD BE CONSIDERED -- A PRICE FOR THE PRODUCING PROVINCE, A HIGHER PRICE FOR OTHER PROVINCES OF CANADA AND A HIGHER PRICE FOR THE EXPORT MARKET. THE FEDERAL MINISTER OF ENERGY, MINES AND RESOURCES PROMPTLY ANNOUNCED THAT THE GOVERNMENT OF CANADA WOULD NOT BECOME INVOLVED IN NATURAL GAS PRICING. HE SUGGESTED THAT PRICE "WOULD BE SETTLED BY NEGOTIATION BETWEEN THE PRODUCERS AND CONSUMERS."

WAS THIS STATEMENT INTENDED TO SERVE THE NATIONAL INTEREST? IF IT WAS IT DID NOT LONG SURVIVE THE PRESSURES OF REALITY: ON MAY 17 IN THE HOUSE OF COMMONS THE SAME FEDERAL MINISTER ANNOUNCED THAT A TWO-PRICE SYSTEM FOR OIL AND OIL PRODUCTS, DESIGNED TO PREVENT CANADIAN CONSUMERS FROM BEARING THE COST OF THE U.S. ENERGY SHORTAGE, WAS BEING GIVEN CLOSE SCRUTINY BY THE FEDERAL GOVERNMENT.

I FIND MYSELF INCREASINGLY WONDERING WHAT NATIONHOOD AND NATIONAL POLICY MEANS TO THE PRESENT GOVERNMENT OF CANADA. I THINK IT IS REASONABLE TO CONCLUDE THAT ONE OF THE PRIME OBJECTIVES OF A FEDERAL UNION SUCH AS THAT OF CANADA IS TO ACHIEVE A WHOLE THAT IS GREATER THAN THE SUM OF THE PARTS. ONE OF THE THINGS THAT IT OFFERS THE CONSTITUENT PROVINCES IS ACCESS TO A LARGE, NATIONAL, FREE TRADE AREA. INDEED, THIS IS MADE EXPLICIT BY SECTION 121 OF THE BRITISH NORTH AMERICA ACT WHICH STATES IN PART, "ALL ARTICLES OF GROWTH, PRODUCE OR MANUFACTURE OF ANY ONE OF THE PROVINCES SHALL ... BE ADMITTED FREE INTO EACH OF THE OTHER PROVINCES."

CERTAINLY THIS SECTION OF THE CONSTITUTION MUST HAVE A RELEVANCE TO DIFFERENTIAL PRICING OF NATURAL RESOURCES AS BETWEEN THE PRODUCING AND CONSUMING PROVINCES WITHIN THE FEDERAL STATE. IRRESPECTIVE OF WHAT THE LEGAL INTERPRETATION MAY PROVE TO BE, THE INTENT IS CRYSTAL CLEAR.

AND AS FOR THE LEGAL INTERPRETATION, I QUOTE WITH APPROVAL THE STATEMENT IN THE McKEOUGH REPORT THAT READS AS FOLLOWS:

"IN A FEDERAL STATE SUCH AS CANADA IT SHOULD NOT BE NECESSARY TO EXPLICITLY STATE THAT THE INTERESTS OF THE COMPONENT PARTS MUST BE SUB-ORDINATED TO THE INTERESTS OF THE WHOLE. IF THERE IS A DIFFERENCE OF OPINION AS TO THE NATIONAL INTEREST, IMPLYING A DIFFERENCE OF INTERPRETATION AS TO THE TERMS OF THE CONSTITUTION OF THE NATION, THE SEEKING OF A JUDGMENT AS TO THE CONSTITUTIONALITY OF AN ACTION IS TO SUPPORT THE NATIONAL INTEREST."

I NOTE WITH APPROVAL ALSO MR. McKEOUGH'S PROPOSAL THAT ONTARIO SHOULD TAKE SUCH STEPS AS ARE NECESSARY TO TEST THE CONSTITUTIONALITY OF ACTIONS RELATIVE TO THE TERMS OF TRADE IN ENERGY THAT HAVE BEEN TAKEN OR ARE PROPOSED BY THE GOVERNMENT OF ALBERTA AND THAT ARE NOT IN THE NATIONAL INTEREST. I HASTEN TO ADD THAT THIS "ACTION" COULD BE A DIRECT ACTIVITY BY THIS PROVINCE OR IT COULD BE SUCCESS IN PRESSING THE GOVERNMENT OF CANADA TO RECOGNIZE ITS CLEAR RESPONSIBILITY IN THE AREA OF ENERGY POLICY.

CLEARLY, IT IS NOT ENOUGH FOR THE PRIME MINISTER OF CANADA TO STATE, AS HE IS REPORTED TO HAVE DONE A FEW WEEKS AGO, THAT THE PRICE OF NATURAL GAS IS A PROBLEM WHICH ONTARIO AND ALBERTA MUST SETTLE BETWEEN THEMSELVES. IS THIS NATIONAL LEADERSHIP? DOES THIS SHOW AN UNDERSTANDING OR CONCERN FOR THE NATIONAL INTEREST? I THINK NOT.

THE RESPONSIBILITY OF THE GOVERNMENT OF CANADA IS PERFECTLY CLEAR. ALBERTA AND ONTARIO ARE MEMBERS OF THIS FEDERAL UNION. ALBERTA HAS GAS AND PETROLEUM AND ONTARIO HISTORICALLY HAS BEEN A MAJOR BUYER. THAT ALBERTA CAN ENHANCE ITS PROVINCIAL INCOME BY SHARPLY INCREASING THE PRICE TO ONTARIO IS AS OBVIOUS AS THE FACT THAT THE IMPROVED ECONOMIC CIRCUMSTANCE IN ALBERTA WILL BE ACHIEVED THROUGH THE DIRECT DETERIORATION OF ECONOMIC CIRCUMSTANCES IN ONTARIO. BUT THIS INVOLVES MORE THAN ALBERTA AND ONTARIO BECAUSE THESE DETERIORATIONS AND OFFSETTING IMPROVEMENTS CANNOT FAIL TO HAVE AN IMPACT ON THE NATIONAL FEDERATION.

THE DESIRE OF ALBERTA TO BUILD AN INDUSTRIAL BASE THAT WILL CONTINUE TO SUSTAIN ITS ECONOMY AND EMPLOY ITS PEOPLE AFTER THE HYDROCARBON RESOURCES HAVE BEEN FULLY EXPLOITED IS COMPLETELY UNDERSTANDABLE, THAT THERE MUST BE INCREASES IN PRICE THAT RELATE TO INCREASES IN COSTS IS, IN NO SENSE, A LEGAL OR MORAL CONTRAVENTION OF THE INTENT OF CONFEDERATION. WE DO NOT SUGGEST THAT IT IS, THAT IS NOT WHAT WE ARE TALKING ABOUT.

CANADA HAS LARGE AVAILABLE AND POTENTIAL ENERGY SOURCES. THE UNITED STATES HAS A CRISIS IN TERMS OF PRESENTLY AVAILABLE ENERGY SUPPLIES. THE PRESSURE OF DEMAND WITHIN THAT COUNTRY HAS HAD TWO MEASURABLE AND OBVIOUS EFFECTS: IT HAS RESULTED IN A STRONG UPWARD PRESSURE ON PRICES; IT HAS ENCOURAGED THE INTERNATIONAL OIL COMPANIES TO RANGE WIDELY IN SEARCH OF PETROLEUM IN REMOTE AND COSTLY AREAS, INCLUDING CANADA'S ARCTIC REGIONS. ALBERTA, UNDERSTANDABLY, FEELS IT SHOULD BENEFIT FROM THIS IMPORTED CRISIS OR, AT A MINIMUM, NOT RECEIVE A LOWER PRICE THAN WILL BE PAID TO THE GOVERNMENT OF CANADA FOR RESOURCES IN THE TERRITORIES.

PRODUCTION COSTS, HOWEVER, HAVE NOT RISEN IN PROPORTION TO THE PROPOSED PRICE INCREASE. AND IN INSISTING ON BUILDING THE ANTICIPATED PRICES OF A DECADE FROM NOW INTO THE PRICES OF TODAY, ALBERTA IS DRIVING UP THE COST OF GAS AND PETROLEUM TO ALL CANADIAN CONSUMERS. THE SMALL FRACTION OF THE PROPOSED INCREASE GOES TO THE PEOPLE OF ALBERTA AND THE BIG FRACTION PASSES AS A WINDFALL PROFIT TO THE INTERNATIONAL PETROLEUM COMPANIES.

SURELY THERE IS AN ALICE IN WONDERLAND QUALITY IN ALL THIS!

HOW , MR. SPEAKER, DOES THIS FIT WITH THE NATIONAL INDUSTRIAL STRATEGY, ASSUMING WE HAVE ONE? AND IS IT INTEGRAL TO WHATEVER MAY EMERGE EVENTUALLY AS OUR NATIONAL ENERGY POLICY IN CANADA THAT THE INTERNATIONAL OIL COMPANIES SHOULD BE PERMITTED TO WRITE THE MUSIC WE ARE OBLIGED TO PLAY?

AS A CASE IN POINT, AS RECENTLY AS MARCH OF THIS YEAR, THE CHAIRMAN OF THE NATIONAL ENERGY BOARD ADVISED THE NATURAL RESOURCES COMMITTEE OF THE HOUSE OF COMMONS IN OTTAWA THAT CANADIAN NATURAL GAS WAS BEING SOLD TO CONSUMERS IN THE UNITED STATES AT A PRICE THAT WAS SIGNIFICANTLY BELOW THE PRICE BEING PAID BY AMERICAN CONSUMERS FOR ALTERNATIVE SOURCES OF ENERGY. AFTER SELLING NATURAL GAS AT BARGAIN PRICES TO AMERICAN CONSUMERS THE APPARENT PROPOSAL IS TO RECOUP FROM ONTARIO CONSUMERS.

MR. SPEAKER, THE PRICE SYSTEM CLEARLY SHOULD NOT BE PERMITTED TO UNDERMINE THE SOLID INDUSTRIAL BASE OF ONTARIO AND QUEBEC, IF ONLY BECAUSE BOTH REPRESENT AN INDUSTRIAL PRESENCE WHICH ENRICHES ALL OF CANADA. AT THE SAME TIME, THE UNDERSTANDABLE ASPIRATIONS OF ALBERTA SHOULD NOT BE FRUSTRATED. BUT TO SATISFY THOSE ASPIRATIONS CALLS FOR NOT AN INTER-PROVINCIAL SOLUTION BUT A NATIONAL SOLUTION. ONTARIO, LIKE ALBERTA, IS AWAITING NATIONAL LEADERSHIP. IF IT IS NOT FORTHCOMING THE GOVERNMENTS OF ONTARIO AND ALBERTA, IN THE PUBLIC INTEREST, MUST TRY TO CONTRIBUTE SOME COHERENCE TO INDUSTRIAL AND ENERGY PLANNING IN CANADA. IF THAT MEANS OUR TWO PROVINCES MUST TEST THE CONSTITUTION IN FRONT OF THE COURTS WE CANNOT AVOID IT.

I DO NOT WISH THAT THERE SHOULD BE ANY MISUNDERSTANDING AS TO WHAT I AM SAYING. I AM ANNOUNCING VERY FIRMLY OUR DETERMINATION THAT THERE SHOULD BE A REFERENCE TO THE COURTS AND A DECISION AS TO THE LEGAL INTENT OF THE CONSTITUTION ON THIS MATTER. WE ARE DOING SO IN THE INTERESTS OF THIS NATION. WE ARE DOING SO TO FILL THE LACK OF LEADERSHIP AT THE NATIONAL LEVEL.

WE FULLY ACKNOWLEDGE THAT ALBERTA, AND ALL OTHER PROVINCES IN CANADA, SHARE THE SAME CLAIM WE ARE ASSERTING AS CANADIANS TO THE NATURAL RESOURCES OF CANADA. ONTARIO HAS RICH RESOURCES -- URANIUM, NICKEL, COPPER, IRON ORE. WE INSIST THAT RESOURCES IN ONTARIO ARE CANADIAN RESOURCES, WITH ALL THAT THIS CONNOTES. ONLY SECONDLY SHOULD THEY BE AVAILABLE TO THE MARKETS OF THE WORLD. IN TERMS OF PRICES FOR THESE RESOURCES WE ARE WELL CONTENT TO SUPPORT THE NATIONAL INTEREST THROUGH SUPPORTING THE BEST INTERESTS OF OUR SISTER PROVINCES IN CANADA IN THE DISPOSITION, AT A REASONABLE PRICE, OF THE RESOURCES THAT CHANCE TO FALL WITHIN ONTARIO'S BORDERS.

THE READINESS OF THIS PROVINCE TO SUPPORT THE BROAD INTERESTS OF NATIONHOOD ARE NOT A SUDDEN INSPIRATION BORN OF THE PROBLEMS OF ENERGY SUPPLY.

WE HAVE SUPPORTED THE POLICY OF MAKING EQUALIZATION PAYMENTS TO THE LESS ECONOMICALLY FAVOURED REGIONS OF CANADA FOR DECADES PAST.

WE READILY ACCEPTED THE COST TO ONTARIO USERS OF THE NATIONAL OIL POLICY OF 1961, WHICH WAS DESIGNED TO ENSURE THERE WOULD BE THE RICH ONTARIO MARKET FOR THE PRODUCTS OF THE OILFIELDS OF ALBERTA. WE SUPPORTED THE BUILDING OF A PIPELINE TO CONNECT THE ALBERTA GAS FIELDS TO CONSUMERS IN CENTRAL CANADA AT A TIME WHEN CHEAPER GAS WAS AVAILABLE FROM THE UNITED STATES.

WHEN WE BROUGHT FORWARD LEGISLATION DESIGNED TO REDUCE THE EXPORT OF CONCENTRATES AND MINERALS IN A RELATIVELY UNPROCESSED STATE WE REQUIRED THAT THE ADDITIONAL PROCESSING SHOULD BE DONE IN CANADA: THE MINING COMPANIES ARE FULLY ABLE TO SATISFY THE REQUIREMENTS OF OUR LEGISLATION BY PROCESSING IN ANY PROVINCE OF CANADA ORE THAT HAS BEEN PRODUCED IN ONTARIO.

AND ONCE AGAIN OUR PREOCCUPATION IS WITH THE NATIONAL INTEREST. CANADA, AS A NATION, HAS A VESTED INTEREST IN SECURE SUPPLIES OF ENERGY AT A REASONABLE PRICE. WE MUST ACHIEVE BOTH GOALS AND NOT DO IT AT THE EXPENSE OF THE PRODUCING REGIONS. WE MUST DO IT WITHOUT CONFRONTATION OR TENSION.

I HAVE SAID BEFORE AND I NOW REPEAT THAT WE SHOULD HAVE A NATIONAL CONFERENCE AND THE REPRESENTATIVES OF ALL OF THE PEOPLE OF CANADA SHOULD JOINTLY ADDRESS THEMSELVES TO THESE PROBLEMS. NOTHING THAT HAS HAPPENED SINCE I MADE THAT PROPOSAL HAS ENCOURAGED ME TO ALTER MY VIEW.

IN RECENT DAYS THE REPORTS HAVE BEEN PROMINENT IN THE NEWSPAPERS OF THE INABILITY OF AMERICAN AUTOMOBILE OWNERS TO GAIN NEEDED SUPPLIES OF GASOLINE. THE UNITED STATES IS DEEPLY CONCERNED AS TO SECURITY OF SUPPLY OF ENERGY. ALL THE PROJECTIONS VISUALIZE A STEEP RISE IN PRICES FOR PETROLEUM AND NATURAL GAS.

THE SERIOUSNESS OF A REAL CRISES IN ENERGY -- WHETHER THIS RELATES TO SUPPLY OR PRICE -- IS DIFFICULT TO EXAGGERATE. ENERGY IS CRUCIAL TO OUR INDUSTRIES AND TO THE EMPLOYMENT OF OUR PEOPLE. IT IS A VITAL NECESSITY FOR THE PHYSICAL COMFORT AND WELL-BEING AND, INDEED, THE PHYSICAL SURVIVAL OF THE PEOPLE OF CANADA.

CANADA IS IN THE REMARKABLY FORTUNATE POSITION THAT IT HAS LARGE RESERVES OF FOSSIL FUELS. SUPPLIES ARE CONCENTRATED IN CERTAIN REGIONS. OBVIOUSLY THE OWNERS OF THIS ENERGY MUST RECEIVE AN APPROPRIATE RETURN FOR THE SALE OF THIS NON-RENEWABLE RESOURCE. SUPPLIES ARE REGIONAL BUT DEMAND IS NATIONAL. THE USERS OF THE RESOURCE MUST HAVE ACCESS TO THIS ENERGY AT A PRICE THAT IS REASONABLE IN TERMS OF ALL CONCERNED AND THAT IS NOT UNDULY INFLUENCED BY THE STYLE OF LIFE OR MANAGEMENT OF ENERGY RESOURCES IN OTHER NATIONS OF THE WORLD: TO PERMIT THE IMPACT OF PROBLEMS FROM ABROAD TO DETERMINE SUPPLY AND PRICE IN CANADA IS TO PERMIT THE MANAGEMENT OF OUR OWN ECONOMY AND OUR OWN LIFE STYLE TO BE TRANSFERRED TO OTHER HANDS BEYOND THE BORDERS OF CANADA.

NO ONE CAN REASONABLY EXPECT THE DESIGN OF AN EFFECTIVE NATIONAL POLICY TO BE EASY. WORLD PRICES AND PROJECTED FUTURE PRICES DO INFLUENCE CURRENT PRICES IN CANADA FOR DOMESTIC RESOURCES. ALBERTA, AS I HAVE OBSERVED, MUST NOT BE PLACED IN A DISADVANTAGEOUS POSITION RELATIVE TO THE RETURNS IT GAINS FROM ITS INDIGENOUS AND NON-RENEWABLE RESOURCES. BUT CANADA MUST NOT BE PLACED IN A POSITION THAT RESULTS IN THE SERIOUS DISRUPTION OF ITS INDUSTRIES. ENERGY IS ABSOLUTELY FUNDAMENTAL TO THE LIFE OF THE NATION. THE PROBLEM IS NATIONAL. THE POLICY MUST BE NATIONAL.

WHILE THE FIRST RESPONSIBILITY OF THIS GOVERNMENT AND THIS LEGISLATURE IS TO THINK OF THE PEOPLE OF ONTARIO, I AM NOW URGING THAT ALL OF US THINK OF THE WELFARE OF CANADA. TO THINK REGIONALLY OR PAROCHIALY IS INAPPROPRIATE IN THIS CONTEXT. TO THINK OF THE SHORT TERM EXPEDIENT IS TO PREJUDICE THE LONG-TERM WELFARE OF CANADA.

THIS PROBLEM MUST BE SOBERLY ADDRESSED
BY CANADIANS OF GOODWILL IN ALL PARTS OF CANADA,
BY ALL PARTIES OF CANADA AND AT ALL LEVELS OF
GOVERNMENT. ANY EXPEDIENT THAT FALLS SHORT OF
SUCH A FULL NATIONAL COMMITMENT WILL BE INADEQUATE.

THANK YOU.

CA2 ΦN
PM
-S 66

Government
Publication



STATEMENT BY
THE HONOURABLE WILLIAM G. DAVIS
PREMIER OF ONTARIO



TO THE LEGISLATURE
THURSDAY, JUNE 14, 1973

ANNOUNCING ESTABLISHMENT OF
THE ORDER OF GOOD CITIZENSHIP
FOR THE PROVINCE OF ONTARIO

MR. SPEAKER:

I TAKE GREAT PLEASURE IN INFORMING THE HOUSE THAT CABINET APPROVAL HAS BEEN GIVEN FOR THE ESTABLISHMENT OF THE "ORDER OF GOOD CITIZENSHIP FOR THE PROVINCE OF ONTARIO."

HONOURABLE MEMBERS WILL RECALL THAT THE SPEECH FROM THE THRONE STATED THE GOVERNMENT'S INTENTION TO EXTEND ONTARIO'S PROGRAM OF ANNUAL ACHIEVEMENT AWARDS. IT WAS ANNOUNCED AT THAT TIME THAT THE NEW PROGRAM WOULD RECOGNIZE THE CONTRIBUTION OF INDIVIDUALS IN ALL AREAS OF OUR SOCIETY.

THE ORDER OF GOOD CITIZENSHIP WILL COME INTO BEING IMMEDIATELY, MR. SPEAKER, AND I AM VERY PLEASED TO ANNOUNCE, THAT HIS HONOUR THE LIEUTENANT-GOVERNOR WILL SERVE AS THE FIRST CHANCELLOR OF THE ORDER. IN THE TASK OF CHOOSING WORTHY CITIZENS FROM ACROSS THE PROVINCE TO RECEIVE THE MEDAL FOR GOOD CITIZENSHIP, WE WILL BE GUIDED BY AN ADVISORY COUNCIL COMPOSED OF EIGHT MEN AND WOMEN.

THE FOLLOWING HAVE BEEN INVITED AND
HAVE KINDLY AGREED TO SERVE ON THE ADVISORY
COUNCIL.

MR. ARNOLD AGNEW OF THE CITY OF TORONTO;
DR. HARRY BOTTERELL OF THE CITY OF KINGSTON;
MRS. J.J. CASEY OF THE CITY OF TORONTO;
MR. RALPH DOUGLAS OF THE CITY OF TORONTO;
MRS. JOAN KING OF THE TOWN OF ENGLEHART;
MR. HORACE KREVER OF THE CITY OF LONDON;
MR. SHAUN MACGRATH OF THE CITY OF TORONTO;
MR. WILLIAM TAYLOR OF THE TOWN OF OAKVILLE.

THESE PERSONS WILL FORM THE ADVISORY
COUNCIL OF THE ORDER FOR A TWO-YEAR TERM UNDER
THE CHAIRMANSHIP OF MR. SHAUN MACGRATH.

I AM INFORMED, MR. SPEAKER, THAT WE MAY EXPECT TO LEARN THE NAMES OF THE FIRST RECIPIENTS OF THE ONTARIO MEDAL FOR GOOD CITIZENSHIP WITHIN THE NEXT DAY OR TWO.

THE CORNERSTONE OF THE NEW AWARD, MR. SPEAKER, WILL BE THE CONCEPT OF CITIZENSHIP, WHICH HAS BEEN DEFINED AS THE QUALITY OF AN INDIVIDUAL'S RESPONSE TO MEMBERSHIP IN A COMMUNITY. A GOOD CITIZEN HAS ALSO BEEN DEFINED AS A PERSON WHO DOES NOT LIVE FOR HIMSELF OR HERSELF ALONE, AND THIS IS THE ATTRIBUTE THAT THE GOVERNMENT INTENDS TO HONOUR AND COMMEMORATE.

IN A SOCIETY AS COMPLEX AND INTER-DEPENDENT AS OURS, IT IS IMPORTANT AND, I THINK, TIMELY THAT WE RECOGNIZE THE FORCE FOR GOOD EXERTED BY MANY OF OUR FELLOW CITIZENS DOING THINGS THAT ARE GENEROUS AND USEFUL -- SIMPLY BECAUSE THEY THEMSELVES FEEL THEY SHOULD.

THE NEW ONTARIO MEDAL FOR GOOD
CITIZENSHIP WILL BE A MEANS OF AFFORDING THIS
RECOGNITION AND TRIBUTE TO THESE CITIZENS WHO,
THROUGH THEIR SELFLESSNESS, HUMANITY AND KINDNESS,
MAKE THIS A BETTER PROVINCE IN WHICH TO LIVE.

JUN 29 1973

Government
Publications

CAZ φN
PM
-S 66



TO
HER MOST GRACIOUS MAJESTY
ELIZABETH THE SECOND.

BY THE GRACE OF GOD OF THE UNITED KINGDOM, CANADA
AND HER OTHER REALMS AND TERRITORIES QUEEN, HEAD
OF THE COMMONWEALTH, DEFENDER OF THE FAITH

MOST GRACIOUS SOVEREIGN:

ON THIS MOST HAPPY OCCASION, THE VISIT
OF YOUR MAJESTY TO OUR PROVINCE, IT IS MY HONOUR
AND PRIVILEGE ON BEHALF OF THE PARLIAMENT AND PEOPLE
OF ONTARIO TO EXPRESS TO YOU OUR DEEP AND ABIDING
LOYALTY.

OUR PLEASURE IS ENHANCED BY THE PRESENCE
OF HIS ROYAL HIGHNESS THE PRINCE PHILIP, DUKE OF
EDINBURGH, WHO HAS VISITED THE CITY OF TORONTO ON
FOUR OCCASIONS SINCE YOUR LAST VISIT TOGETHER IN
1959.

DURING YOUR BRIEF BUT WELCOME STAY AMONG US YOUR MAJESTY IS BOUND TO PERCEIVE THE EXTRAORDINARY GROWTH AND PHYSICAL CHANGES THAT HAVE OCCURRED IN ONTARIO SINCE LAST YOU HONOURED US WITH YOUR PRESENCE. THAT ALL OF THIS HAS TAKEN PLACE IN A MERE FOURTEEN YEARS IS A TESTAMENT TO THE INDUSTRY OF OUR CITIZENS AND A MEASURE OF THE ACCELERATED PACE AT WHICH SOCIETY IS EVOLVING, NOT ONLY IN ONTARIO, BUT IN CANADA, IN THE COMMONWEALTH AND THE WORLD.

YOUR MAJESTY MAY ALSO SENSE A CHANGE IN THE ATTITUDES OF OUR CITIZENS TOWARD PHYSICAL GROWTH AS A DESIRABLE GOAL IN ITSELF. AS CANADA'S WEALTHIEST AND MOST INDUSTRIALIZED PROVINCE, WE ARE THANKFUL FOR OUR AFFLUENCE BUT WE ARE ALSO INCREASINGLY MINDFUL OF OUR ENVIRONMENT AND THE NEED TO PROTECT AND PRESERVE IT FOR THIS GENERATION AND GENERATIONS TO COME. EVEN AS WE STRIVE TO ACHIEVE A BALANCE BETWEEN ENSURING THE ECONOMIC AND SOCIAL WELL-BEING OF OUR CITIZENS AND ACCORDING PROPER RESPECT TO NATURE, WE ARE THANKFUL, TOO, THAT OUR STATE OF DEVELOPMENT IS SUCH THAT OUR ATTENTION IS OCCUPIED BY CONCERNS ASSOCIATED WITH PEACE AND STABILITY RATHER THAN WITH UPHEAVAL OR ANCIENT ANIMOSITIES.

THE PROVINCE OF ONTARIO HAS STRONG AND HISTORICAL TIES WITH THE UNITED KINGDOM, AND CONTINUES TO ENJOY AND PRESERVE THOSE TIES. THE MAJORITY OF OUR EARLIEST PIONEERS CAME FROM THE UNITED KINGDOM AND ONTARIO WAS A MAJOR PLACE OF SETTLEMENT FOR THE UNITED EMPIRE LOYALISTS WHO FLED THE AMERICAN REVOLUTION, A CIRCUMSTANCE FIRMLY AND IRREVOCABLY WOVEN INTO THE FABRIC OF OUR HISTORY.

THOSE OF US WHO WERE BORN AND RAISED IN ONTARIO AND THOSE OF US WHO HAVE COME HERE FROM OTHER JURISDICTIONS AND OTHER COUNTRIES ARE EQUALLY AWARE OF OUR INDEBTEDNESS TO THE BRITISH HERITAGE THIS PROVINCE HAS ENJOYED SINCE ITS INCEPTION.

WE ARE THE BENEFICIARIES OF THE PARLIAMENTARY SYSTEM OF GOVERNMENT. OUR LEGAL SYSTEM IS THE INHERITOR OF THE PRINCIPLES ESTABLISHED BY THE BRITISH COMMON LAW, AND OUR ONTARIO HUMAN RIGHTS CODE IS A CONTEMPORARY PROJECTION OF THE LIGHT OF LIBERTY FIRST GENERATED AT RUNNYMEDE WITH THE SIGNING OF MAGNA CARTA SEVEN CENTURIES AGO.

WHEREAS MOST OF OUR NEW SETTLERS ONCE
CAME FROM THE BRITISH ISLES, IN RECENT YEARS THERE
HAS BEEN A STEADY AND GROWING INFLUX TO ONTARIO
OF PEOPLE OF NEITHER BRITISH NOR FRENCH ORIGIN
AND WHO NOW COMPRISE THE MAJORITY OF NEWCOMERS,
YOUR MAJESTY CAN BE ASSURED THAT IN SO CHOOSING,
THEY SELECTED NOT SO MUCH A COUNTRY ON THE MAP
AS A HERITAGE AND HISTORY OF FREEDOM AND HUMAN
DIGNITY THAT EVOLVED IN THE BRITISH ISLES AND
WHICH IS SYMBOLIZED BY THE CROWN.

TO PEOPLES OF ALL ORIGINS IN ONTARIO,
YOUR MAJESTY BY PERSONAL EXAMPLE CASTS A CIVILIZING
INFLUENCE UPON ALL OF OUR DELIBERATIONS IN MEETING
THE CHALLENGES OF AN INCREASINGLY COMPLEX WORLD.
WHILE YOUR MAJESTY'S POSITION COMMANDS RESPECT
IN ITSELF, IT IS YOUR MAJESTY'S GRACIOUS AND
HUMANE OCCUPATION OF THAT POSITION WHICH EVOKES
DEVOTION AND LOYALTY ON A VERY IMMEDIATE AND
PERSONAL LEVEL.

IT IS OUR HOPE THAT, IN THE YEARS TO
COME, THE MEMORIES OF THIS VISIT WILL REMAIN
FILLED WITH PLEASANT RECOLLECTIONS, AND WE PRAY
THAT ALMIGHTY GOD IN HIS DIVINE PROVIDENCE WILL
LONG SPARE YOUR MAJESTY TO REIGN OVER US AND
WILL BLESS YOUR MAJESTY AND EVERY MEMBER OF THE
ROYAL FAMILY WITH HEALTH, HAPPINESS AND PEACE.

I REMAIN, YOUR MAJESTY'S FAITHFUL
SUBJECT AND DEVOTED SERVANT.

PREMIER OF ONTARIO

TORONTO, ONTARIO

JUNE 26, 1973

YOUR MAJESTY

I HAVE THE GREAT HONOUR TO PRESENT TO YOU, ON BEHALF OF THE GOVERNMENT AND THE PEOPLE OF ONTARIO, A NEW FULLY EQUIPPED PLAYGROUND FOR THE HOSPITAL FOR SICK CHILDREN.

THE LAND FOR THE NEW PLAY AREA IS DESCRIBED AS PART OF LOTS No. 30 AND No. 31 ON THE NORTH SIDE OF ELM STREET IN OUR CAPITAL CITY OF TORONTO.

ON BEHALF OF THIS GOVERNMENT AND THE PEOPLE WE REPRESENT, I ASK YOU MOST HUMBLY TO ACCEPT

THE QUEEN ELIZABETH PLAYGROUND

AS A GIFT FROM YOUR LOYAL AND LOVING SUBJECTS IN ONTARIO AND AS A PERMANENT MEMENTO OF YOUR VISIT WITH US IN JUNE, 1973.

WILLIAM G. DAVIS
PREMIER OF ONTARIO

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REMARKS BY
THE HONOURABLE WILLIAM G. DAVIS
PREMIER OF ONTARIO

WEDNESDAY, JUNE 27, 1973
HYATT REGENCY HOTEL, TORONTO

THE INSTITUTE OF RAPID TRANSIT

LADIES AND GENTLEMEN; I AM EXTREMELY PLEASED TO BE ABLE TO SPEAK TO THIS GATHERING TODAY, AND WOULD LIKE TO EXTEND A VERY WARM WELCOME TO THOSE OF YOU FROM OUTSIDE OF ONTARIO.

YOUR PRESENCE HERE, AT AN INTERNATIONAL GATHERING OF THIS KIND, IS FURTHER EVIDENCE THAT TRANSPORTATION IS ONE OF THE MOST VITAL PROBLEMS OF OUR TIME, PARTICULARLY TRANSPORTATION WITHIN URBAN AREAS.

MANY OF YOU REPRESENT LARGE METROPOLITAN AREAS FROM OUR SOUTHERN NEIGHBOUR AND KNOW TOO WELL THE PROBLEMS OF URBAN CONGESTION AND POLLUTION. YOU KNOW, TOO, THE PROBLEMS OF ENERGY SHORTAGES AND I AM SURE YOU ARE GREATLY CONCERNED ABOUT THE ENERGY CRISIS AND ITS EFFECTS ON YOUR FUTURE FUEL SUPPLY. YOU ARE ALSO AWARE OF THE ROLE PLAYED BY THE AUTOMOBILE IN CREATING THESE PROBLEMS.

WE IN ONTARIO HAVE SEEN WHAT HAS HAPPENED IN MANY NORTH AMERICAN CITIES THAT HAVE ALLOWED THEMSELVES TO BECOME OVERLY DEPENDENT ON THE AUTOMOBILE. ALONG WITH THAT, WE ARE ALSO BEGINNING TO FEEL THE PAINS OF URBAN GROWTH. THE TRENDS THAT OUR CITIES ARE FOLLOWING ARE NOT COMFORTING SIGNS AND IT IS RECOGNITION OF THESE TRENDS THAT HAS CAUSED MY GOVERNMENT TO DECLARE AN URBAN TRANSPORTATION POLICY FOR ONTARIO.

WE OUTLINED THIS POLICY TO THE PEOPLE OF ONTARIO ON NOVEMBER 22, 1972, AND THEREFORE, AS A RELATIVE NEWCOMER IN THE TRANSIT BUSINESS, IT IS EXTREMELY GRATIFYING FOR ME TO BE INVITED TO SPEAK TO YOU TODAY ABOUT OUR TRANSIT PROGRAMS.

AT THIS POINT, I WOULD LIKE TO SPEND JUST A COUPLE OF MINUTES GIVING YOU THE HISTORY OF OUR INVOLVEMENT IN TRANSIT, A FEW OF OUR EXPECTATIONS FOR THE FUTURE, AND TO INDICATE HOW WE IN CANADA PLAN TO DEAL WITH THE PROBLEM AREAS WE ARE MOST CONCERNED WITH -- NAMELY, THE NEED FOR INCREASED FINANCIAL RESOURCES, AND THE NEED FOR A MAJOR COMMITMENT TO RESEARCH AND INNOVATION.

THE DEVELOPMENT OF ONTARIO'S TRANSPORTATION PROGRAM TO THE POINT WHERE WE ARE NOW IN THE RAPID TRANSIT FIELD DATES BACK TO 1962. THAT YEAR, THE PROVINCE RECOGNIZED THE NEED FOR A COMPREHENSIVE REVIEW OF TRANSPORTATION PLANNING AND INITIATED THE METROPOLITAN TORONTO AND REGIONAL TRANSPORTATION STUDY, ONE OF THE FIRST LARGE-SCALE APPROACHES TO URBAN TRANSPORTATION PLANNING UNDERTAKEN IN CANADA.

IN 1965, BASED ON THE STUDY'S RECOMMENDATIONS, A 42-MILE EAST-WEST COMMUTER RAIL SERVICE ALONG THE LAKE ONTARIO SHORELINE BETWEEN PICKERING AND OAKVILLE WAS INITIATED AT A CAPITAL COST OF \$24 MILLION.

THIS LAKESHORE COMMUTER SERVICE -- GO TRANSIT, AS IT IS KNOWN -- BEGAN OPERATING IN MAY, 1967. BY JANUARY, 1968, THE PASSENGER VOLUME HAD PASSED THE 17,000 A DAY MARK, AND IS CURRENTLY INCREASING AT ABOUT SIX PER CENT A YEAR. NEARLY 4,000 FREE PARKING SPACES ARE PROVIDED FOR RAIL COMMUTERS, AND STATIONS ARE LOCATED CLOSE TO MAJOR ARTERIES TO PROVIDE EASY ACCESS FOR PASSENGERS.

I MIGHT ADD AT THIS JUNCTURE THAT AN ADDITIONAL 30 PASSENGER COACHES ARE ON ORDER TO ACCOMMODATE THE INCREASING NUMBER OF COMMUTERS ON THE SERVICE.

THIS EAST-WEST RAIL COMMUTER SERVICE WAS THE PRIME COMPONENT OF GO OPERATIONS FOR SEVERAL YEARS. THEN, IN 1970, GO TRANSIT TOOK ANOTHER IMPORTANT STEP TOWARD EXPANSION AND INTEGRATION OF THE REGIONAL TRANSPORTATION SYSTEM WITH THE ADDITION OF A BUS COMMUTER SERVICE.

THIS SERVICE LINKS THE CITY OF OSHAWA, ON THE EAST, AND THE CITY OF HAMILTON, TO THE WEST, WITH GO TRANSIT RAIL FACILITIES AT PICKERING AND OAKVILLE. THE EXPANSION ALSO INCLUDED A BUS COMMUTER SERVICE TO NEWMARKET, 30 MILES NORTH OF TORONTO.

LATER THIS YEAR, GO TRANSIT RAIL SERVICE WILL BE INTRODUCED BETWEEN GEORGETOWN AND TORONTO'S UNION STATION, A 30-MILE RUN, WITH FIVE STOPS ALONG THE ROUTE TO SERVE THE POPULOUS AREA IN THE NORTHWEST CORRIDOR.

ANOTHER PHASE OF OUR DEVELOPING URBAN TRANSPORTATION PROGRAM WAS THE INTRODUCTION OF THE FIRST DIAL-A-BUS IN ONTARIO -- AND ONE OF THE FIRST IN NORTH AMERICA -- IN BAY RIDGES, A RESIDENTIAL COMMUNITY 20 MILES EAST OF TORONTO. THE SERVICE PROVIDES COMMUTERS IN THE AREA WITH TRANSPORTATION FROM THEIR HOMES TO AND FROM THE GO TRANSIT RAIL STATION AT PICKERING. SERVICE IS CURRENTLY PROVIDED SIX DAYS A WEEK, 20 HOURS A DAY, INCLUDING OFF-PEAK SERVICE TO PEOPLE WITHIN THE COMMUNITY. THIS IS SIGNIFICANTLY MORE SERVICE THAN NORMALLY AFFORDED TO COMMUNITIES THE SIZE OF BAY RIDGES. RECENTLY, WE TURNED THIS SUCCESSFUL SERVICE OVER TO PICKERING TOWNSHIP.

TWO ADDITIONAL DIAL-A-BUS SYSTEMS ARE OPERATING IN ONTARIO AT THE PRESENT TIME; AND WE ARE SUFFICIENTLY IMPRESSED BY THE ACCEPTANCE AND PERFORMANCE OF THE SERVICE THAT WE ARE WILLING TO ASSIST ANY ONTARIO COMMUNITY IN STUDYING THE FEASIBILITY OF USING THE SYSTEM AS A LOCAL PUBLIC TRANSIT SERVICE.

WE RECENTLY ANNOUNCED A PROGRAM TO FINANCE A MAJOR DIAL-A-BUS DEMONSTRATION PROJECT TO COMPLEMENT FIXED-ROUTE SERVICES, INCLUDING CONNECTIONS WITH REGULAR BUS ROUTES AND CONNECTIONS TO THE NORTHERN TERMINUS OF TORONTO'S SUBWAY.

THESE, THEN, WERE THE BEGINNINGS OF THE ONTARIO GOVERNMENT'S INVOLVEMENT IN TRANSIT, AND WHILE WE WERE GREATLY ENCOURAGED BY THEIR SUCCESS, WE REALIZED THAT THEY ALONE WOULD NOT PROVIDE COMPLETE SOLUTIONS TO THE TRANSPORTATION PROBLEMS OF OUR CITIES.

OUR CITIES IN NORTH AMERICA MUST HAVE A COMPLETE AND CONTINUAL COMMITMENT TO TRANSIT.

OUR CITIES IN NORTH AMERICA REQUIRE A LARGE-SCALE ENDEAVOUR SO THAT THE DECLINE OF OUR URBAN AREAS CAN BE REVERSED.

THIS IS NOT A SMALL TASK AND NO ONE SHOULD UNDERESTIMATE THE DIFFICULTIES THAT ALL GOVERNMENTS FACE IN PREVENTING OUR CITIES FROM STRANGLING THEMSELVES. DESPITE THESE PROBLEMS IT WAS OBVIOUS TO MY GOVERNMENT THAT THE NECESSARY SOLUTION TO THE TRAFFIC PROBLEMS OF OUR MAJOR CITIES IS THE PROVISION OF FAST, EFFICIENT AND COMFORTABLE RAPID TRANSIT SYSTEMS.

IN NOVEMBER OF 1972, MY GOVERNMENT MADE A COMMITMENT TO THE PEOPLE OF ONTARIO TO MAKE AVAILABLE SUCH TRANSIT SYSTEMS.

WE ANNOUNCED THAT WE WOULD UNDERTAKE TO FUND A MAJOR PROPORTION OF THE REQUIRED CAPITAL FOR IMPROVING THE ROLLING STOCK AND EQUIPMENT OF OUR URBAN TRANSIT FACILITIES.

SPECIFICALLY, WE WILL PAY 75 PER CENT OF ALL CAPITAL EQUIPMENT COSTS OF TRANSIT OPERATORS. FURTHERMORE, WE WILL PAY 50 PER CENT OF ALL OPERATING DEFICITS OF OUR TRANSIT OPERATORS; THE MUNICIPALITIES PAY THE REMAINING 50 PER CENT. THIS ACTION WAS TAKEN IN RECOGNITION OF THE FACT THAT TRANSIT COSTS CAN NOT BE RECOVERED FROM THE FARE BOX ALONE.

IN ADDITION, THE ONTARIO GOVERNMENT WILL PAY SUBSIDIES OF 75 PER CENT TOWARD THE COST OF STUDY PROGRAMS TO ALTER DEMAND FOR TRANSPORTATION AT PEAK PERIODS, SUCH AS THE ENCOURAGEMENT OF FLEXIBLE WORKING HOURS TO SPREAD RUSH-HOUR LOADS IN MAJOR CITIES, ONE-WAY STREET SYSTEMS, SCHEDULING OF SERVICES AND DELIVERIES, AND PARKING POLICIES. AND A SUBSIDY OF 50 PER CENT IS AVAILABLE TO URBAN AREAS FOR UPGRADING AND EXPANDING COMPUTER-CONTROLLED TRAFFIC SYSTEMS.

FINALLY, AND MOST SIGNIFICANTLY, THE GOVERNMENT IS PAYING FOR THE DEVELOPMENT OF A PROTOTYPE AND OPERATING DEMONSTRATION OF A NEW FORM OF INTERMEDIATE CAPACITY TRANSIT TO BE CALLED GO-URBAN, AND WE ARE OFFERING A SUBSIDY PROGRAM OF 75 PER CENT TO ASSIST MUNICIPALITIES IN APPLYING SUCH A SYSTEM TO MEET THEIR TRANSPORTATION NEEDS.

THE NEW CONCEPT ANSWERS A PRESSING NEED FOR A PUBLIC TRANSIT SYSTEM HAVING A PASSENGER CAPACITY BETWEEN THAT OF A SUBWAY AND A CONVENTIONAL BUS SYSTEM -- ONE THAT WILL MOVE PEOPLE IN URBAN AREAS WITHOUT INCREASING THE STRAIN ON ALREADY-OVERLOADED ROADWAYS OR DISRUPTING THE COMMUNITY ENVIRONMENT.

ON MAY 1ST, MY GOVERNMENT SIGNED A CONTRACT WITH KRAUSS-MAFFEI OF MUNICH FOR CONSTRUCTION OF A 2.5 MILE INTERMEDIATE CAPACITY SYSTEM DEMONSTRATION PROJECT AT THE CANADIAN NATIONAL EXHIBITION GROUNDS IN TORONTO. THE SYSTEM IS TO BE IN OPERATION PRIOR TO THE 1975 OPENING OF THE INTERNATIONALLY-KNOWN EXHIBITION.

THE KRAUSS-MAFFEI SYSTEM, WHICH WAS CHOSEN FOLLOWING INTENSIVE STUDY AND EVALUATION OF OTHER SYSTEMS, INVOLVES THE FULLY-AUTOMATED OPERATION OF MAGNETICALLY-SUPPORTED VEHICLES ON AN EXCLUSIVE RIGHT-OF-WAY.

TESTING OF THE SYSTEM, WHICH WILL BEGIN LATE IN 1974, IS ESSENTIAL TO THE INTRODUCTION OF THE NEW TRANSIT CONCEPT ON A COMMUNITY-WIDE BASIS IN URBAN MUNICIPALITIES IN ONTARIO.

OUR FINANCIAL ASSISTANCE PROGRAM, HOWEVER, IS NOT ENOUGH ... SIMPLY PROVIDING DOLLARS WON'T SOLVE OUR PROBLEM. THE SOLUTION REQUIRES INNOVATION, RESOURCEFULNESS AND RESEARCH AND, FURTHER, IT REQUIRES THE MOBILIZATION OF THE RESOURCES OF ALL SEGMENTS IN OUR SOCIETY,..., OUR INDUSTRIAL AND COMMERCIAL SECTORS, OUR PROFESSIONAL COMMUNITY, OUR ACADEMIC COMMUNITY, OUR TRANSIT OPERATORS AND ALL LEVELS OF GOVERNMENT IN THIS COUNTRY.

BECAUSE DOLLARS AREN'T ENOUGH, MY GOVERNMENT HAS GIVEN A COMMITMENT TO DEVELOP, IN CANADA, A MAJOR SCIENTIFIC RESEARCH COMPETENCE FOR THE CREATION, DEVELOPMENT, PRODUCTION AND DISTRIBUTION OF TRANSIT FACILITIES OF THE HIGHEST TECHNOLOGICAL ORDER. COMPARED WITH THE UNITED STATES, CANADA HAS NOT, GENERALLY SPEAKING, BEEN ABLE TO PROVIDE HIGH LEVELS OF RESEARCH AND DEVELOPMENT IN TECHNOLOGICAL FIELDS ON A COMPETITIVE BASIS. HOWEVER, OUR NEEDS FOR NEW TRANSIT TECHNOLOGY ARE AS GREAT OR GREATER THAN MANY NATIONS IN THE WORLD: AND WE THINK IT IS APPROPRIATE, THEREFORE, THAT CANADA UNDERTAKE TO PROVIDE A NEW TECHNOLOGICAL RESEARCH CAPABILITY IN TRANSIT.

IN ORDER TO ACCOMPLISH THIS, WE IN ONTARIO HAVE EMBARKED UPON SEVERAL ACTIVITIES.

WE HAVE COMBED THE WORLD TO FIND THE LATEST IN TECHNOLOGICAL DEVELOPMENT, AND WE ASKED THESE DEVELOPERS TO SUBMIT PROPOSALS TO US FOR BUILDING THE DEMONSTRATION SYSTEM IN ONTARIO ON THE SHORE OF LAKE ONTARIO WHERE WE COULD BEGIN A TEST AND DEVELOPMENT PROGRAM, AND DEMONSTRATE NEW TECHNOLOGY TO THE PEOPLE OF ONTARIO AND CANADA.

I HOPE THAT MANY OF YOU HERE TODAY WILL TAKE THE OPPORTUNITY TO INVESTIGATE OUR TECHNOLOGICAL RESEARCH, AND EXAMINE OUR DEMONSTRATION PROJECT WHEN CONSTRUCTION IS COMPLETED LATE NEXT YEAR. WE INTEND TO IMPLEMENT THIS NEW TECHNOLOGY IN OUR LARGE ONTARIO CITIES, AND WE ANTICIPATE THAT MANY OTHER URBAN AREAS THROUGHOUT CANADA AND THE WORLD WILL BE ATTRACTED TO OUR MAGNETIC CONCEPT.

AS I STATED, THE PROPOSALS SUBMITTED LED US TO ACCEPT THE KRAUSS-MAFFEI INTERMEDIATE CAPACITY SYSTEM AS THE FIRST STEP IN OUR TECHNOLOGICAL DEVELOPMENT.

WE DID NOT STOP HERE. OUR NEXT STEP WAS TO ACQUIRE THE COMMERCIAL INDUSTRIAL RIGHTS TO THIS TECHNOLOGY, AND AS SOME OF YOU ARE AWARE, WE HAVE EXCLUSIVE RIGHTS TO THIS TECHNOLOGY IN CANADA, WITH CERTAIN INCOME BENEFITS FROM THE U.S. MARKET, AND MARKET RIGHTS IN CENTRAL AND SOUTH AMERICA.

ONTARIO'S URBAN TRANSIT POLICY IS A COMPREHENSIVE ATTEMPT TO DEVELOP AN INTEGRATED AND BALANCED TRANSPORTATION SYSTEM FOR OUR COMMUNITIES. IN CONJUNCTION WITH THIS POLICY, MY GOVERNMENT IS COMMITTED TO DEVELOP A MAJOR TRANSIT MANUFACTURING INDUSTRY IN CANADA.

IN ORDER TO ACCOMPLISH THIS WE HAVE CREATED A SPECIAL ACT CORPORATION TO BE KNOWN AS THE "ONTARIO TRANSPORTATION DEVELOPMENT CORPORATION". THE ROLE OF THE CORPORATION WILL BE TO CO-ORDINATE AND PROMOTE THE DEVELOPMENT OF ALL TYPES OF NEW TECHNOLOGY RELATING TO THE PUBLIC TRANSIT FIELD, AND TO PROVIDE FOR THE SUCCESSFUL INTEGRATION OF THESE INNOVATIVE DEVELOPMENTS WITH THE DESIGN AND PRODUCTION OF MUCH-NEEDED CONVENTIONAL TRANSIT FACILITIES.

THE CORPORATION WILL BE CAPABLE OF FUNDING RESEARCH INTO A NUMBER OF TRANSIT RELATED AREAS, AND THE BASIC LICENCES THAT WERE OBTAINED FROM THE KRAUSS-MAFFEI CONTRACT, SIGNED ON MAY 1ST, WILL PROVIDE THE FIRST BUILDING BLOCK OF THIS CORPORATION'S ASSETS.

THE PURPOSE OF CREATING THE CORPORATION IS TO ENSURE THAT ALL OF THE INTERMEDIATE CAPACITY TECHNOLOGY TO BE KNOWN AS GO-URBAN IS TRANSFERRED TO CANADIAN ENGINEERS AND SCIENTISTS, AND, THAT THE CANADIAN INDUSTRY IS CAPABLE OF PRODUCING FULL SCALE GO-URBAN SYSTEMS FOR THE CANADIAN AND INTERNATIONAL MARKETS. AND ALSO THAT CONTINUING RESEARCH IN THIS AND OTHER TRANSIT APPLICATIONS IS UNDERTAKEN IN CANADA.

OUR INTENTION IS TO PROVIDE THE LEADERSHIP AND MOTIVATION TO START AND CONTINUE IN THESE RESEARCH AND DEVELOPMENT PROGRAMS. IT IS INTENDED THAT THE CORPORATION HAVE THE CAPABILITY TO ENSURE A CONTINUED FUNDING COMMITMENT TO RESEARCH AND DEVELOPMENT IN TRANSIT.

IT IS OUR INTENTION TO BRING THE FULL WEIGHT OF THE CANADIAN INDUSTRIAL, COMMERCIAL AND ACADEMIC SECTORS BEHIND OUR URBAN TRANSIT PROGRAM. THIS CORPORATION WILL HAVE A PRIME ROLE IN CO-ORDINATING AND DEVELOPING THE ACTIVITIES OF EACH OF THESE SECTORS IN TRANSPORTATION. IT IS ALSO OUR INTENTION TO ACHIEVE A POOLING OF NATIONAL SCIENTIFIC AND TECHNICAL TALENTS TO CO-OPERATE IN THE SOLUTION OF PRESENT AND FUTURE TRANSIT PROBLEMS.

WE ARE HOPEFUL THIS CORPORATION WILL FORM THE LEADING EDGE OF CANADA'S RESEARCH AND DEVELOPMENT CAPABILITIES IN TRANSIT.

IN ADDITION, WE THINK IT IS POSSIBLE TO CO-ORDINATE A MAJOR INDUSTRIAL-COMMERCIAL EFFORT WITHIN THE PRIVATE SECTOR TO SUPPLY THE NEEDS OF OUR COMMUNITIES IN CANADA AND HOPEFULLY MANY COMMUNITIES IN THE UNITED STATES. WE PLAN TO SUB-LICENSE CANADIAN INDUSTRY AND PROFESSIONALS TO DEVELOP, PRODUCE AND MARKET ALL OF THE INNOVATIONS THAT ARE CREATED THROUGH OUR CONTINUAL FUNDING OF RESEARCH AND DEVELOPMENT IN THIS FIELD.

LADIES AND GENTLEMEN, THAT IS OUR PROGRAM. OUR AIM IS TO PROVIDE LEADERSHIP IN THE TRANSIT FIELD. WE HAVE PROVIDED FUNDS FOR MUNICIPALITIES AND THEREBY CREATED A VERY LARGE MARKET FOR INDUSTRIAL MANUFACTURERS OF TRANSIT EQUIPMENT. SECONDLY, WE HAVE PROVIDED AND WILL CONTINUE TO PROVIDE A HIGHLY COMPETENT RESEARCH AND DEVELOPMENT PROGRAM ENSURING THE TECHNOLOGICAL DEVELOPMENT NECESSARY TO MEET OUR CITIES' NEEDS.

THIRDLY, THE ONTARIO GOVERNMENT IS CONVINCED THAT WE MUST MOBILIZE ALL RESOURCES WITHIN CANADA TO AN EXPANDED COMMITMENT TO PROVIDE BETTER, MORE EFFICIENT AND MORE ATTRACTIVE MEANS OF URBAN TRANSPORTATION.

TODAY, I WOULD LIKE TO TAKE THIS OPPORTUNITY TO ELABORATE ON THIS LAST COMMITMENT.

FIRST, THE GOVERNMENT OF ONTARIO RECOGNIZES THAT THE NEEDS OF OTHER CITIES IN CANADA ARE MUCH THE SAME AS THOSE OF ONTARIO'S COMMUNITIES. WE ALSO RECOGNIZE THAT THE INDUSTRIAL AND COMMERCIAL ASPIRATIONS OF OTHER PROVINCES ARE SIMILAR TO OURS, AND WE BELIEVE THAT ANY BENEFITS DERIVED FROM THIS ENDEAVOUR SHOULD BE ENJOYED BY ALL PARTS OF CANADA. WE ARE HOPEFUL THAT THE FEDERAL GOVERNMENT AND OTHER PROVINCES WILL JOIN US IN OUR COMMITMENT TO PRODUCE ATTRACTIVE, EFFICIENT URBAN TRANSPORTATION SYSTEMS.

CANADA CANNOT AFFORD TO FRAGMENT ITS SCIENTIFIC AND TECHNICAL RESEARCH. WE MUST ALSO HAVE A SUBSTANTIAL DOMESTIC MARKET IF OUR RESEARCH IS TO HAVE COMMERCIAL SIGNIFICANCE. IN THE TRANSIT FIELD, WE HAVE SUCH A MARKET AND, THEREFORE, TODAY I WANT TO DECLARE THAT THE ONTARIO TRANSPORTATION DEVELOPMENT CORPORATION WILL BE EMBARKING ON A PROGRAM OF NATIONAL DIMENSION AND WILL BE ACTIVELY SEEKING CO-OPERATION WITH OTHER RESEARCH AGENCIES ON A NATIONAL SCALE. WE ARE CONVINCED THAT THE URBAN PROBLEMS IN CANADA PRESENT A FORUM FOR A MAJOR CANADIAN SCIENCE AND RESEARCH PROGRAM. I WOULD ENCOURAGE ALL GOVERNMENTS IN CANADA TO DIRECT THE EFFORTS OF MANY OF THEIR SCIENCE AND RESEARCH PROGRAMS INTO THIS FIELD. WE RECOGNIZE THE NEED TO HAVE A WIDE-SCALE EFFORT IN CANADA AND IT IS FOR THIS REASON THAT I CAN DECLARE THAT OUR OBJECTIVES WILL BE TO WORK WITH, TO ASSIST IN AND TO PROMOTE THE DEVELOPMENT OF A TRULY NATIONAL ATTACK ON OUR URBAN TRANSIT PROBLEMS.

WE HAVE BEEN RECENTLY ENCOURAGED WITH SIGNS THAT THE FEDERAL AND SOME PROVINCIAL GOVERNMENTS AGREE WITH OUR STRATEGIES FOR INDUSTRIAL AND SCIENTIFIC DEVELOPMENT IN THIS FIELD AND, THEREFORE, FIRST PRIORITIES WILL BE TO WORK WITH THESE OTHER GOVERNMENTS ON OUR PLAN OF ACTION, AND TO INVITE THEIR PARTICIPATION IN ORDER THAT CANADA CAN HAVE A TRULY NATIONAL APPROACH TO THE TRANSPORTATION PROBLEMS OF OUR CITIES.

FOR THE PROBLEMS OF URBAN TRANSPORTATION -- LIKE THE PROBLEMS RELATING TO OUR ENVIRONMENT AND OUR SUPPLY AND USE OF ENERGY -- MUST BE TACKLED ON A BROAD NATIONAL BASIS THROUGH THE COMBINED EFFORTS OF ALL LEVELS OF GOVERNMENT, WE ANTICIPATE THAT CO-OPERATION WITH OTTAWA AND OTHER PROVINCIAL GOVERNMENTS CAN MEET THE NEEDS OF OUR CITIES AND, AT THE SAME TIME, BENEFIT OUR INDUSTRIAL, COMMERCIAL AND SCIENTIFIC COMMUNITIES.

AT THIS TIME, I WOULD LIKE TO REPEAT AN INVITATION I EXTENDED WHEN THE INTENTION TO FORM THE ONTARIO TRANSPORTATION DEVELOPMENT CORPORATION WAS FIRST ANNOUNCED LAST MONTH -- AN INVITATION TO INDUSTRIAL, COMMERCIAL, PROFESSIONAL AND ACADEMIC ENTERPRISES IN CANADA TO PARTICIPATE WITH US IN THIS ENDEAVOUR TO DEVELOP AN INTEGRATED GOVERNMENT-INDUSTRY PROGRAM FOR URBAN TRANSPORTATION.

LADIES AND GENTLEMEN, I HOPE THE PROGRAMS THAT I HAVE OUTLINED TODAY WILL GIVE YOU ENCOURAGEMENT, IN THAT THIS GOVERNMENT IS PREPARED TO COME TO GRIPS WITH OUR TOTAL TRANSPORTATION NEEDS... WITH THE OBJECT OF MAKING OUR CITIES BETTER PLACES IN WHICH TO LIVE.

THANK YOU.

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newsrelease

RELEASE: ON RECEIPT

July 4, 1973

Office of the
Premier

MRS. S.M. SINCLAIR

NAMED TO U. OF T.

GOVERNING COUNCIL

TORONTO -- Premier William Davis today announced the appointment of Mrs. Sonja Morawetz Sinclair, a Toronto management consultant and journalist, as a member of the University of Toronto Governing Council. Her appointment, effective July 1, is for three years.

Mr. Davis also announced the reappointment of four other members of the governing council: Dr. Anthony Cecutti, Gordon Fisher, W.J.D. Lewis and John A. Tory, all of Toronto.

Mrs. Sinclair, a communications consultant with Price Waterhouse Associates, has worked with the Canadian Broadcasting Corporation, Time Inc., and for Maclean-Hunter Ltd. She has a strong interest in Canadian cultural activities and was research consultant for the Ontario Royal Commission on Publishing.

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REMARKS BY

THE HONOURABLE WILLIAM G. DAVIS

PREMIER OF ONTARIO

THOROLD, ONTARIO

TUESDAY, JULY 31, 1973

DEDICATION CEREMONIES

WATER POLLUTION CONTROL SYSTEM

ONTARIO PAPER COMPANY

I WOULD LIKE TO THANK YOU FOR INVITING ME HERE TODAY TO OFFICIALLY OPEN THIS VERY IMPORTANT POLLUTION ABATEMENT INSTALLATION AND ALSO TO JOIN IN OBSERVING THE ONTARIO PAPER COMPANY'S 60TH ANNIVERSARY AT ITS LOCATION HERE IN THOROLD.

IN VIEW OF THE DISTINGUISHED GUESTS PRESENT, INCLUDING THOSE FROM THE UNITED STATES, IT IS ALSO AN OPPORTUNITY FOR ME TO PERHAPS TOUCH BRIEFLY ON MATTERS OF GENERAL CONCERN TO A GATHERING SUCH AS THIS AS THEY RELATE TO POLLUTION ABATEMENT AND CONTROL.

THOUGH SOME OF THE THINGS I'D LIKE TO DISCUSS DEAL PRIMARILY WITH THE SITUATION IN THE PROVINCE OF ONTARIO, I HOPE THAT THEY WILL ALSO BE OF INTEREST TO THOSE ASSOCIATED WITH THE FEDERAL GOVERNMENT AND TO OUR AMERICAN GUESTS.

FIRST, HOWEVER, LET ME CONGRATULATE THE ONTARIO PAPER COMPANY FOR INSTITUTING ITS THREE-STAGE \$9.2 MILLION ABATEMENT PROGRAM, WHICH BEGAN IN 1969. THIS FACILITY REPRESENTS THE LAST AND MOST IMPORTANT PART OF THAT PROGRAM AND IS CERTAINLY THE MOST EXPENSIVE -- ACCOUNTING FOR SOME \$7.2 MILLION OF THE TOTAL.

I'D LIKE TO PAUSE RIGHT THERE AND SUGGEST THAT THIS TYPE OF PRIVATE-SECTOR INITIATIVE, FINANCED BY THAT SORT OF EXPENDITURE, RALLIES PUBLIC CONFIDENCE AND CREDIBILITY IN THE OFTEN-USED PHRASE ABOUT "GOOD CORPORATE CITIZENSHIP." WHAT WE HAVE HERE TODAY IS NOT A SLOGAN BUT SOMETHING WE CAN SEE AND TOUCH.

IT IS ALSO, I VENTURE TO SUGGEST, TANGIBLE EVIDENCE OF SOMETHING I PERSONALLY HAVE LONG BELIEVED -- THAT THE TECHNOLOGY RESPONSIBLE FOR MANY OF OUR ENVIRONMENTAL PROBLEMS TODAY IS ALSO A TECHNOLOGY CAPABLE OF ABATING AND CONTROLLING THEM.

IN APPROACHING THESE PROBLEMS, THE COURSE OF EXTREME ACTION IS VERY TEMPTING TO BOTH ENVIRONMENTAL ORGANIZATIONS AND TO VARIOUS REGULATORY AGENCIES OF GOVERNMENT; BUT I SUGGEST THERE IS A DIFFERENCE BETWEEN SOLVING A PROBLEM AND WIPING A PROBLEM FROM THE FACE OF THE EARTH.

FOR INSTANCE, I AM SURE THAT MANY OF US FROM TIME TO TIME HAVE BEEN DRIVING ALONG A ROAD OR A HIGHWAY AND HAVE SEEN A CHIMNEY STACK OF SOME INDUSTRIAL PLANT BELCHING FORTH A STEADY COLUMN OF SMOKE. OUR FIRST REACTION HAS BEEN ALONG THE LINES OF "THEY OUGHT TO CLOSE THAT PLACE DOWN."

THIS REACTION, HOWEVER, IS SELDOM IF EVER SHARED BY THE MEN AND WOMEN WHO EARN THEIR LIVELIHOODS AT THAT PLANT, NOR BY THE FAMILIES THAT THEY HAVE TO SUPPORT. INDEED, SEVERAL YEARS AGO IN A HEAVILY INDUSTRIALIZED ONTARIO CITY, I HEARD OF A WORKER GOING HOME AT THE END OF HIS SHIFT WITH HIS SON WHO'D JUST RETURNED FROM COLLEGE IN THE UNITED STATES WHERE HE'D EARNED A FOOTBALL SCHOLARSHIP.

THE SON WAS BRUSHING SPECKS OF ASH FROM THE ATMOSPHERE FROM HIS SHIRT AND COMPLAINED THAT THE OLD HOME TOWN HAD REALLY BECOME POLLUTED. THE FATHER REPLIED PHILOSOPHICALLY:

"DON'T KNOCK IT, BOY. IT'S THE SOOT OF SECURITY."

FOR MANY PEOPLE, IT STILL IS -- BUT OUR TECHNOLOGY IS SUCH, OR IS BECOMING SUCH, THAT WE SHOULD BE ABLE TO ENJOY THE SECURITY OF EMPLOYMENT WITHOUT HAVING TO PUT UP WITH THE SOOT OR THE POLLUTION OF STREAMS FORMERLY ASSOCIATED WITH SOME INDUSTRIAL ENDEAVOURS.

THE ONTARIO PAPER COMPANY'S THREE-STAGE POLLUTION ABATEMENT PROGRAM, AND THE INSTALLATION WE ARE OPENING TODAY, CAME AFTER THE FACT. IN SAYING THAT, I AM NOT IMPLYING ANY CRITICISM NOR SHOULD ANYONE INFER ANY CRITICISM. IT STANDS TO REASON THAT YOU DO NOT ATTEMPT TO ABATE ANYTHING OR ATTEMPT TO CONTROL ANYTHING UNTIL IT EXISTS, OR UNTIL IT IS RECOGNIZED TO EXIST AS A PROBLEM. AND SO, IN ANY JURISDICTION IN THE WORLD WHERE A POLLUTION CONTROL AGENCY EXISTS, A GOOD PORTION OF ITS ACTIVITIES ARE NECESSARILY AFTER THE FACT.

AS MOST OF YOU FROM ONTARIO ARE AWARE, A PROVINCIAL MINISTRY OF THE ENVIRONMENT WAS ESTABLISHED ABOUT A YEAR AND A HALF AGO, AND IT INCORPORATED ALL PHASES OF POLLUTION CONTROL -- CONTROL OF AIR POLLUTION, WATER POLLUTION, SOLID WASTE MANAGEMENT, AND PROTECTION OF THE ENVIRONMENT FROM THE ABUSES OF PESTICIDES. THIS MINISTRY COMBINED ALREADY EXISTING AGENCIES UNDER ONE ROOF.

ONTARIO CERTAINLY HASN'T SOLVED ALL ITS POLLUTION PROBLEMS. WE HAVE, HOWEVER, MADE SIGNIFICANT ADVANCES IN POLLUTION ABATEMENT. WE HAVE ALSO ESTABLISHED GOALS, AND IN MOST CASES THE MECHANICS OF REACHING THOSE GOALS IN OUR EXISTING CONTROL PROGRAMS.

WITH THIS IN MIND, THE PROVINCE NOW INTENDS TO BECOME MORE INVOLVED IN THE CONTROL OF POLLUTION BEFORE IT IS GIVEN THE OPPORTUNITY TO DEVELOP. ONE OF THE WAYS WE HOPE TO ACCOMPLISH THIS IS THROUGH A SYSTEM OF ENVIRONMENTAL ASSESSMENT, AND A GREEN PAPER IS BEING PREPARED ON THIS SUBJECT AS A BASIS FOR DISCUSSION.

SUCH AN ASSESSMENT SYSTEM WOULD OBVIOUSLY CALL FOR A NUMBER OF SUCCESSIVE STAGES, WHICH I AM SURE WILL BE OUTLINED IN DETAIL IN OUR GREEN PAPER. THE NET EFFECT OF THIS TYPE OF BEFORE-THE-FACT ASSESSMENT WOULD BE TO HELP US AVOID ENVIRONMENTAL PITFALLS AT THE OUTSET. NEW PROJECTS COULD BE ANALYSED AT THE CONCEPTUAL STAGE TO ALLOW FOR POSSIBLE CHANGES. POLLUTION CONTROL WOULD BEGIN AT THE DRAWING BOARD RATHER THAN BEING IMPOSED LONG AFTER A FACILITY HAS BEEN BUILT.

AS I SAY, THIS GREEN PAPER WILL BE BY DEFINITION A DISCUSSION DOCUMENT. IT WILL OUTLINE PROPOSALS AND SOLICIT PUBLIC RESPONSE AND INVOLVEMENT PRIOR TO THE ADOPTION OF LEGISLATION OR WHATEVER STEPS ARE NECESSARY TO ESTABLISH THE SYSTEM. WE INTEND TO APPROACH THIS PROCESS OF EVALUATION WITH CARE AND REASON. TO DO OTHERWISE COULD BE DISRUPTIVE AND EVEN HARMFUL. THERE ARE NO EASY ANSWERS OR ABSOLUTES IN THIS AREA AND WE WILL NEED TO FEEL OUR WAY CAREFULLY. I CAN ASSURE YOU WE INTEND TO AVOID EXTREME POSITIONS. WHILE THIS MAY NOT PLEASE SOME IT IS I FEEL, THE ONLY REASONABLE COURSE.

WITH THIS IN MIND WE WOULD PROPOSE TO EVALUATE FIRST ONLY LARGE PUBLICLY FINANCED PROJECTS, SUCH AS THOSE WITHIN POWER AND TRANSPORTATION FIELDS, AND THEN MOVE SLOWLY INTO OTHER AREAS AS WE DEVELOP THE CAPABILITY AND EXPERIENCE.

ONTARIO, OF COURSE, DOES NOT INTEND TO ABANDON ITS CLEANUP PROGRAMS THAT DEAL WITH EXISTING POLLUTION PROBLEMS. ENVIRONMENTAL ASSESSMENT IS A NEW AREA OF ENDEAVOUR FOR THE PROVINCE BUT ONE THAT WILL HAVE TO EXIST SIMULTANEOUSLY WITH PRESENT POLLUTION ABATEMENT.

THE ONTARIO GOVERNMENT, THROUGH THE MINISTRY OF THE ENVIRONMENT AND THE AGENCIES THAT PRECEDED IT, HAS ENCOURAGED AND APPROVED MUNICIPAL WATER AND SEWAGE WORKS WORTH MORE THAN \$2.6 BILLION. LAST YEAR, FOR EXAMPLE, \$344 MILLION IN SEWAGE AND WATER WORKS WERE APPROVED AND \$75 MILLION WORTH OF THESE PROJECTS INVOLVED DIRECT PROVINCIAL FINANCING.

COMBINE THIS TYPE OF WATER AND SEWAGE PROGRAM WITH INDUSTRIAL WATER POLLUTION ABATEMENT SUCH AS THAT ACCOMPLISHED HERE BY THE ONTARIO PAPER COMPANY, AND IT BECOMES APPARENT HOW ONTARIO IS HELPING TO KEEP CANADA'S HALF OF THE BARGAIN EMBODIED IN THE CANADA-U.S. GREAT LAKES AGREEMENT SIGNED A YEAR AGO. THE CANADA-ONTARIO AGREEMENT ON GREAT LAKES WATER QUALITY COMMITTED ONTARIO TO A FIVE-YEAR \$250 MILLION CAPITAL WORKS PROGRAM TO UPGRADE SEWAGE COLLECTION AND TREATMENT WORKS IN THE GREAT LAKES BY THE END OF 1975. IN RETURN, THROUGH THE CANADA-U.S. AGREEMENT, THE U.S. GOVERNMENT IS COMMITTED TO A PARALLEL PROGRAM.

THE GREAT LAKES PROGRAM IS OBVIOUSLY INTERNATIONAL IN SCOPE. LAST FALL, I EXPRESSED MY CONCERN THAT THERE MIGHT BE A DIFFERENCE IN WHAT THE EXECUTIVE BRANCH OF THE U.S. GOVERNMENT MIGHT PROPOSE AND WHAT MIGHT BE DELIVERED BY THE CONGRESS. SINCE THEN, EVENTS HAVE SHOWN THAT A DISCREPANCY DOES EXIST, BUT THE REVERSE HAS TURNED OUT TO BE THE CASE. THE PROGRAMS OF THE ADMINISTRATION ARE FALLING BEHIND THE PROPOSALS OF THE CONGRESS.

UNDER THE TERMS OF THE AGREEMENT, THE INTERNATIONAL JOINT COMMISSION IS THE WATCHDOG AND I LOOK FORWARD TO THEIR REPORT DUE TO BE RELEASED SOON ON THE AGREEMENT'S FIRST YEAR OF OPERATION.

CONTROL OF WATER POLLUTION, OF COURSE, IS NOT THE ONLY FORM OF POLLUTION CONTROL ONTARIO IS ENGAGED IN. SINCE 1968, WHEN THE PROVINCE ASSUMED RESPONSIBILITY FOR AIR POLLUTION ABATEMENT WITHIN ITS BOUNDARIES, MAJOR SOURCES OF AIR POLLUTION HAVE BEEN SURVEYED AND PLACED ON CONTROL PROGRAMS TO BRING THEIR EMISSIONS INTO LINE WITH PROVINCIAL STANDARDS. AS A MATTER OF FACT, THE ONTARIO PAPER COMPANY IS PRESENTLY NEGOTIATING A CONTROL PROGRAM TO REDUCE ITS EMISSIONS OF SULPHUR DIOXIDE AND PARTICULATES.

THE RESULTS OF THE PAST FIVE YEARS HAVE BEEN ENCOURAGING. USING TORONTO AS AN EXAMPLE OF A HEAVILY-INDUSTRIALIZED AREA, BETWEEN 1966 AND 1971, SULPHUR DIOXIDE LEVELS WERE CUT IN HALF AND SUSPENDED PARTICULATE MATTER READINGS WERE REDUCED BY A THIRD.

ONE FORM OF AIR POLLUTION THAT WE ARE JUST COMING TO GRIPS WITH IS NOISE. PROPOSED CONTROL PROGRAMS INCLUDE THE ESTABLISHMENT OF NOISE CRITERIA AND OVERALL NOISE LEVELS FOR DIFFERENT TYPES OF INDUSTRIAL, RESIDENTIAL, AND RURAL MIXES; THE DRAFTING OF A MODEL NOISE BY-LAW FOR MUNICIPALITIES THAT WILL BE MORE READILY ENFORCEABLE THAN EXISTING ONES; AND THE ESTABLISHMENT OF REGULATIONS FOR CONTROLLING NOISE FROM VEHICLES, STATIONARY SOURCES, AND RECREATIONAL MACHINERY.

IT HAS BEEN JUST OVER TWO YEARS SINCE THE PROVINCE ASSUMED RESPONSIBILITY FOR CONTROL OF SOLID WASTE MANAGEMENT METHODS. THIS ENTAILS ALL TYPES OF WASTE MANAGEMENT SYSTEMS FOR MUNICIPAL SOLID WASTE DISPOSAL, INDUSTRIAL SOLID AND LIQUID WASTE DISPOSAL ON LAND, AND THAT OF OTHER WASTES SUCH AS LITTER AND ABANDONED VEHICLES.

COPING WITH THE CONSIDERABLE AMOUNTS OF SOLID WASTE BEING PRODUCED IN ONTARIO IS A MAJOR PART OF OUR PRESENT CONCERN, BUT OUR PRIME GOAL FOR THE FUTURE IS THE RECLAMATION AND RE-USE OF MATERIAL AND ENERGY. AS PART OF OUR PLANS FOR ACCOMPLISHING THIS, THE GOVERNMENT INTENDS TO BUILD AN EXPERIMENTAL WASTE RECLAMATION PLANT. RATHER THAN BEING THE SOLUTION FOR THE PARTICULAR DIFFICULTIES OF ONE MUNICIPALITY OR REGION, THIS PLANT WILL SERVE AS A SOLID WASTE RESEARCH LABORATORY, PROVIDING US WITH PRACTICAL WAYS OF IMPLEMENTING THESE RECYCLING PLANS.

TO MOST PEOPLE THE WORD RECYCLING MEANS THE PHYSICAL RE-PROCESSING OF MATERIAL. HOWEVER, RECYCLING CAN ALSO INVOLVE RE-USE OF THE ENERGY THAT WASTE PRODUCTS REPRESENT. TO EFFECT THE RECYCLING OF ENERGY, THE PROVINCE HAS BEEN LOOKING INTO THE USE OF GARBAGE AS A FUEL.

ONE SUCH APPLICATION COULD BE THE BURNING OF REFUSE IN CONNECTION WITH FOSSIL FUELS TO GENERATE ELECTRICITY. A GOVERNMENT STUDY TEAM IS EXAMINING THE FEASIBILITY OF PRODUCING ELECTRICITY IN THIS WAY AT THE LAKEVIEW GENERATING STATION IN TORONTO.

LAKEVIEW WAS CHOSEN OVER OTHER POSSIBLE LOCATIONS BECAUSE IT BURNS PULVERIZED COAL AND THEREFORE HAS ELECTROSTATIC PRECIPITATORS, AIR POLLUTION CONTROL DEVICES THAT REMOVE PARTICULATE MATTER SUCH AS ASH. SINCE BURNING GARBAGE PRODUCES A LARGER QUANTITY OF ASH THAN COAL, THIS EQUIPMENT IS VITAL TO ANY INSTALLATION CONTEMPLATING USING GARBAGE AS A FUEL, TO SAFEGUARD THE AIR QUALITY IN THE AREA. IF THIS PROGRAM PROVES SUCCESSFUL, GARBAGE COULD REPLACE BETWEEN 10 AND 20 PERCENT OF THE COAL NOW BEING USED.

I MUST CONFESS THAT TO A LAYMAN'S EARS SOME OF THIS MAY SOUND A LITTLE FAR-FETCHED, BUT THEN I IMAGINE THAT WHEN THE ONTARIO PAPER COMPANY BEGAN OPERATIONS IN THOROLD IN 1913 NOBODY COULD HAVE FORESEEN THE TECHNOLOGICAL ADVANCES THAT HAVE LED TO THIS FACILITY WE SEE HERE TODAY BECOMING A REALITY.

- 12 -

WATER QUALITY IMPROVEMENTS, SUCH AS THOSE ACCOMPLISHED BY ONTARIO PAPER'S LATEST POLLUTION CONTROL SYSTEM, WILL DEFINITELY HELP ONTARIO IN ITS EFFORTS TO CLEAN UP THE OLD WELLAND CANAL AND BY EXTENSION THE GREAT LAKES, AS WELL AS PROVIDE BENEFITS FOR THE COMPANY'S NEIGHBOURS IN THIS AREA OF THE PROVINCE.

ACCORDINGLY, IT GIVES ME CONSIDERABLE PLEASURE TO DECLARE THIS CHEMICAL RECOVERY PLANT OFFICIALLY OPEN.

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STATEMENT BY
THE HONOURABLE WILLIAM G. DAVIS
PREMIER OF ONTARIO

ON THE RELEASE OF THE REPORT
OF
THE COMAY TASK FORCE ON HOUSING

SEPTEMBER 13, 1973

IN NOVEMBER LAST YEAR I ANNOUNCED THE FORMATION OF AN ADVISORY TASK FORCE ON HOUSING POLICY UNDER THE CHAIRMANSHIP OF ELI COMAY. THE TASK FORCE WAS CREATED BECAUSE THE GOVERNMENT FELT THAT THE TIME HAD COME FOR A THOROUGH REASSESSMENT OF THE PROVISION OF ALL TYPES OF HOUSING IN ONTARIO AND THE WAYS IN WHICH THE GOVERNMENT'S ROLE AND CONTRIBUTION COULD BE IMPROVED. I HAVE FOLLOWED WITH GREAT INTEREST THE ACTIVITIES OF THE TASK FORCE AND I WOULD LIKE TO COMMEND ITS MEMBERS, MOST OF WHOM ARE HERE TODAY, FOR THE DILIGENCE THEY HAVE DISPLAYED IN COMPILING THIS REPORT. I AM PLEASED TO NOTE THAT IN THE PROCESS THE TASK FORCE HELD MORE THAN 50 PUBLIC MEETINGS AND RECEIVED 350 BRIEFS REPRESENTING A BROAD RANGE OF VIEWS FROM THE PEOPLE OF ONTARIO.

THE TASK FORCE REPORT SETS OUT TWELVE OBJECTIVES WHICH TOGETHER REPRESENT AN ALL-EMBRACING STATEMENT OF PRINCIPLES FOR THE PROVISION OF HOUSING. I WISH TO EXPRESS MY GOVERNMENT'S GENERAL SUPPORT OF THESE GUIDELINES FOR THE FUTURE DEVELOPMENT OF OUR ROLE IN THE HOUSING FIELD. INDEED, I THINK IT WILL BE OBVIOUS FROM THE INITIATIVES WHICH I AM ANNOUNCING TODAY, THAT HOUSING IS BEING GIVEN A HIGH PRIORITY BY THE GOVERNMENT.

ACHIEVING THESE OBJECTIVES WILL REQUIRE
CLOSE COOPERATION AMONG ALL LEVELS OF GOVERNMENT,
AS WELL AS THE PRIVATE SECTOR AND VOLUNTARY AGENCIES.

IT IS GRATIFYING TO NOTE THAT THE TASK
FORCE REPORT INDICATES THAT, ALTHOUGH WE HAVE SERIOUS
HOUSING PROBLEMS AT THE PRESENT TIME, NEVERTHELESS
ONTARIO'S PEOPLE ARE PROBABLY HOUSED BETTER THAN EVER
BEFORE. THE REPORT STATES THAT OUR HOUSING AND
COMMUNITY DEVELOPMENT PROCESS HAS PRODUCED A GREAT
VOLUME OF HIGH-STANDARD HOUSING WHICH HAS KEPT PACE,
BY AND LARGE, WITH THE GROWTH OF THE PROVINCE. THE
REPORT FURTHER INDICATES THAT THE PROVINCIAL-MUNICIPAL
SYSTEM OF PLANNING HAS ON THE WHOLE WORKED BETTER THAN
IN MOST GROWTH AREAS IN NORTH AMERICA IN PROVIDING
SUPERIOR RESIDENTIAL AMENITIES AND A HIGH STANDARD
OF ENVIRONMENTAL PROTECTION.

THE REPORT INDICATES THE NEED FOR FURTHER,
MORE COMPREHENSIVE LEADERSHIP ON THE PART OF THE
PROVINCIAL GOVERNMENT TO COPE WITH THE UNACCEPTABLY
HIGH INCREASES IN THE COST OF HOUSING AND TO FURTHER
EXPAND THE SUPPLY OF HOUSING.

OVER THE NEXT TEN YEARS IT IS ESTIMATED THAT THE PROVINCE WILL NEED TO ADD MORE THAN ONE MILLION HOUSING UNITS TO ITS PRESENT STOCK. MEETING THIS REQUIREMENT WILL PRESENT A MAJOR CHALLENGE.

HOWEVER, WITH THE COMBINED RESOURCES OF OUR THREE LEVELS OF GOVERNMENT AND OUR HOUSING INDUSTRY WHICH IS ONE OF THE MOST EFFICIENT IN CANADA, WE ARE CONFIDENT THAT WE CAN MEET THE CHALLENGE.

OVER THE LAST DECADE IN ONTARIO WE HAVE ADDED MORE THAN 623,000 NEW DWELLING UNITS. WHEN COMPARED WITH 506,000 NEW FAMILIES IN THE SAME PERIOD THIS MEANS WE HAVE ADDED 1.23 DWELLING UNITS PER NEW FAMILY. THIS RATIO WAS EVEN BETTER IN THE THREE LARGEST CITIES.

WE HAVE THEREFORE BEEN GAINING ON THE SUPPLY OF HOUSING AND NOW HAVE MORE AVAILABLE PER PERSON THAN EVER BEFORE. HOWEVER, THE DEMAND ALSO HAS BEEN GROWING, NOT ONLY BECAUSE OF POPULATION GROWTH, IMMIGRATION AND INTERNAL MIGRATION, BUT CHIEFLY BECAUSE OF RISING EXPECTATIONS COMBINED WITH LARGER INCOMES. THIS DEMAND TOGETHER WITH EXCEPTIONALLY HIGH INTEREST RATES HAS COMBINED TO PRODUCE AN UNACCEPTABLE RATE OF INCREASE IN THE COST OF HOUSING.

I AM ANNOUNCING TODAY A NUMBER OF POLICY INITIATIVES WHICH ARE DESIGNED TO SUSTAIN OUR PRESENT HIGH STANDARD OF HOUSING, WHILE ADDRESSING THE PROBLEMS WHICH THE TASK FORCE HAS IDENTIFIED.

IN IMPLEMENTING THESE POLICIES, WE INVITE THE COOPERATION OF THE FEDERAL GOVERNMENT. OUR RELATIONSHIP WITH OTTAWA ON HOUSING MATTERS HAS BEEN PRODUCTIVE IN THE PAST. IN MEETING THE NEW CHALLENGES BEFORE US, WE SEEK TO RENEW THIS COOPERATION, PARTICULARLY IN EXTENDING THE LEVELS OF FUNDING.

TODAY, I WOULD LIKE TO RESPOND TO SEVERAL SIGNIFICANT RECOMMENDATIONS AND OUTLINE PLANS FOR IMMEDIATE GOVERNMENT ACTION. MANY OF THE REMAINING RECOMMENDATIONS OF THE COMAY TASK FORCE WILL REQUIRE DETAILED ANALYSIS BEFORE DECISIONS ARE MADE ON WAYS TO IMPLEMENT THEM.

PERHAPS THE MOST FUNDAMENTAL RECOMMENDATION OF THE COMAY TASK FORCE IS THE ESTABLISHMENT OF A MINISTRY OF HOUSING TO DIRECT AND COORDINATE THE GOVERNMENT'S EFFORTS TO ACHIEVE ITS HOUSING OBJECTIVES.

I WISH TO ANNOUNCE THE GOVERNMENT'S INTENTION TO ACT ON THIS RECOMMENDATION. LEGISLATION WILL BE INTRODUCED IN THE FALL SESSION TO ESTABLISH A MINISTRY OF HOUSING. THE NEW MINISTER OF HOUSING AND HIS DEPUTY MINISTER WILL BE ANNOUNCED SHORTLY. UNTIL THAT TIME THE HON. ALLAN GROSSMAN, MINISTER OF REVENUE WILL CONTINUE TO CARRY HIS DUAL RESPONSIBILITY FOR HOUSING AND REVENUE.

THE NEW MINISTRY WILL EMBRACE THE PRESENT FUNCTIONS OF THE ONTARIO HOUSING CORPORATION. IT WILL ALSO ASSUME RESPONSIBILITY FOR THE PROVINCE'S INVOLVEMENT IN THE ESTABLISHMENT OF NEW TOWNS.

WE ALSO INTEND TO ENSURE THAT ALL OFFICIAL PLANS, LOCAL, REGIONAL OR PROVINCIAL, CONTAIN SUITABLE PROVISION FOR HOUSING TO REFLECT THE WISHES OF THE DIFFERENT COMMUNITIES AND THE NEEDS OF THEIR RESIDENTS. AS THE HON. JOHN WHITE STATED LAST WEEK, THIS MEANS THAT COMMUNITY PLANNING AND HOUSING PROCESSES WILL BE MORE CLOSELY INTEGRATED, OUR PRESENT SYSTEM OF PLANNING APPROVALS WILL BE SIMPLIFIED AND THE TIME TAKEN TO PROCESS HOUSING PROPOSALS SHORTENED. FURTHER, IT IS OUR INTENTION TO ENSURE THAT A VARIETY OF DEVELOPMENT STANDARDS WILL BE SET TO PROMOTE RATHER THAN INHIBIT THE PRODUCTION OF HOUSING IN VARIOUS PRICE CATEGORIES TO MEET THE NEEDS OF THE POPULATION.

ONE OF THE FIRST TASKS OF THE NEW MINISTRY OF HOUSING WILL BE TO WORK CLOSELY WITH REGIONAL AND LOCAL GOVERNMENTS TO ESTABLISH HOUSING PRIORITIES AND OBJECTIVES FOR EACH PART OF THE PROVINCE.

THE SUCCESS OF OUR EXPANDED EFFORTS IN THE FIELD OF HOUSING WILL REQUIRE THE CLOSE COOPERATION OF THE NEW MINISTRY OF HOUSING AND OTHER MINISTRIES, PARTICULARLY TREASURY, ECONOMICS AND INTERGOVERNMENTAL AFFAIRS.

IN THIS CONNECTION I HAVE RECEIVED AND ACCEPTED RECOMMENDATIONS FROM MR. WHITE WHICH COMPLETE THE REORGANIZATION OF HIS MINISTRY AND COMPLEMENT THE RECOMMENDATIONS OF THE TASK FORCE ON HOUSING.

WHEN TREASURY, ECONOMICS AND INTERGOVERNMENTAL AFFAIRS WAS ESTABLISHED I EXPRESSED CONCERN ABOUT THE WORKLOAD ON THE MINISTER AND THE NEED, PARTICULARLY, TO MAINTAIN THE EXCELLENT RELATIONSHIP WE HAVE WITH OUR MUNICIPALITIES.

MR. WHITE HAS REVIEWED THIS FOR ME AND HIS EXPERIENCE HAS SHOWN THE CONCEPT FOR THIS MINISTRY IS SOUND. THE CHANGES WILL FACILITATE HIS WORK AND CONTRIBUTE TO A MORE EFFECTIVE RELATIONSHIP WITH LOCAL GOVERNMENT.

HE WILL EXPLAIN THESE CHANGES FOLLOWING MY STATEMENT BUT I WANT TO MAKE SPECIAL MENTION OF OUR DECISION TO GIVE THE COUNCILS OF REGIONAL MUNICIPALITIES AS WELL AS RESTRUCTURED COUNTIES THE AUTHORITY TO APPROVE OFFICIAL PLANS, ZONING BYLAWS, SUBDIVISIONS AND SEVERANCES AND TO TRANSFER THE PLANS ADMINISTRATION BRANCH TO THE MINISTRY OF HOUSING.

THE BRANCH, WHICH WILL BE DECENTRALIZED FROM QUEEN'S PARK, HAS THE RESPONSIBILITY FOR OFFICIAL PLANS, SUBDIVISIONS, ZONING AND REVIEW OF SEVERANCES. ITS LOCATION IN THE MINISTRY OF HOUSING WILL ENSURE THAT OUR HOUSING TARGETS ARE GIVEN PRIORITY IN THE LOCAL PLANNING PROCESS.

ANOTHER NOTABLE CHANGE IS THE RELOCATION OF MANY OF THE SERVICES OF TREASURY, ECONOMICS AND INTERGOVERNMENTAL AFFAIRS TO REGIONAL OFFICES SO THAT DECISIONS ON LOCAL QUESTIONS CAN BE MADE QUICKLY BY SENIOR STAFF LIVING IN THE AREA.

TO ENSURE THAT OVERALL PLANNING RESPONSIBILITIES ARE FULLY COORDINATED, A CABINET COMMITTEE WILL BE ESTABLISHED UNDER THE CHAIRMANSHIP OF THE TREASURER AND INCLUDING THE NEW MINISTER OF HOUSING AS WELL AS THE MINISTERS OF REVENUE, GOVERNMENT SERVICES AND THE CHAIRMAN OF THE MANAGEMENT BOARD.

THE GOVERNMENT PROPOSES TO TAKE STEPS TO MEET IMMEDIATE HOUSING NEEDS IN CERTAIN COMMUNITIES AND ACCEPTS A RECOMMENDATION FROM THE TASK FORCE FOR A SHORT-TERM HOUSING ACTION PROGRAM IN THE THREE LARGEST URBAN AREAS OF METROPOLITAN TORONTO, OTTAWA AND HAMILTON. THE GOVERNMENT IS EXTENDING THE SCOPE OF THAT RECOMMENDATION TO INCLUDE OTHER COMMUNITIES, ESPECIALLY IN NORTHERN ONTARIO. THIS PROGRAM IS DESIGNED TO INCREASE THE NUMBER OF HOUSING UNITS AVAILABLE DURING 1974 AND 1975 OVER AND ABOVE THOSE WHICH WOULD NORMALLY BE COMING ON THE MARKET IN THOSE YEARS.

I AM PLEASED TO ANNOUNCE THAT MR. COMAY HAS AGREED TO UNDERTAKE THE RESPONSIBILITY OF INITIATING THIS PROGRAM TO WHICH THE FOLLOWING TERMS OF REFERENCE WILL APPLY:

- (1) TO DEVELOP AN ACTION PROGRAM, IN CONSULTATION WITH LOCAL AND REGIONAL MUNICIPALITIES, TO SPEED UP THE SUPPLY OF HOUSING LOTS AND RENTAL ACCOMMODATION TO HELP MEET CURRENT DEMANDS FOR HOUSING;
- (2) TO ESTABLISH IMPROVED PROCEDURES TO SPEED THE PROCESSING OF DEVELOPMENT APPLICATIONS;
- (3) TO RECOMMEND NECESSARY ACTION BY MINISTRIES TO ENSURE THAT ADEQUATE SEWAGE TREATMENT, WATER SUPPLY, SCHOOLS AND ROADS ARE AVAILABLE;
- (4) TO SEEK MEANS OF PROVIDING LOTS AND HOUSES WITHIN AN ACCEPTABLE RANGE OF PRICES;

- (5) TO WORK WITH MUNICIPALITIES AND THE BUILDING INDUSTRY TO ENSURE THAT NEW CONSTRUCTION OF MULTIPLE HOUSING IS ACCELERATED;
- (6) TO RECOMMEND ACTION TO PROVIDE HOUSING ON PUBLICLY OWNED LANDS;
- (7) TO ADVISE THE NEW MINISTER OF HOUSING ON POLICIES TO IMPROVE THE OVERALL HOUSING SITUATION.

MR. COMAY WILL HEAD A SPECIAL GROUP TO CARRY OUT THESE TASKS. THE GROUP WILL INCLUDE REPRESENTATIVES OF THE PRIVATE SECTOR, THE MUNICIPAL AND PROVINCIAL GOVERNMENTS AND THE ONTARIO HOUSING CORPORATION. THE GROUP WILL COMMENCE WORK IMMEDIATELY AND WILL CONTINUE UNTIL ITS FUNCTION CAN BE ASSUMED BY THE NEW MINISTRY OF HOUSING. MR. COMAY HAS AGREED TO SERVE IN THIS CAPACITY UNTIL EARLY IN THE NEW YEAR.

THE COMAY TASK FORCE ALSO MADE A NUMBER OF SPECIFIC RECOMMENDATIONS FOR ASSISTANCE TO CERTAIN GROUPS OF PEOPLE WITH SPECIAL NEEDS. IN PARTICULAR THE GOVERNMENT HAS APPROVED EARLY ACTION ON THE FOLLOWING POINTS:

WE ACCEPT THE GENERAL RECOMMENDATION FOR THE CONTINUATION OF A SUBSTANTIAL PROGRAM OF PUBLIC HOUSING CONSTRUCTION WITH THE PROVISION THAT FUTURE PUBLIC HOUSING PROJECTS SHOULD NOT BE LARGE, CONCENTRATED OR ISOLATED AND THAT THEY MUST BE PROVIDED WITH ADEQUATE COMMUNITY AND SOCIAL FACILITIES.

THE TASK FORCE RECOMMENDED THAT A COMPREHENSIVE REVIEW OF RENT-GEARED-TO-INCOME SCALES IN PUBLIC HOUSING SHOULD BE UNDERTAKEN. A REVIEW OF THIS QUESTION IS ALREADY UNDER WAY AS PART OF THE PROVINCE'S RECENT INITIATIVE TO HAVE HOUSING ASSISTANCE INCLUDED IN THE FEDERAL-PROVINCIAL REVIEW OF INCOME SECURITY PROGRAMS IN CANADA.

IN ORDER THAT SENIOR CITIZENS IN PUBLIC HOUSING WILL BE ALLOWED TO RETAIN THE FULL BENEFIT OF THE RECENT OLD AGE SECURITY ADJUSTMENTS, THE PROVINCE INTENDS TO RECOMMEND TO THE FEDERAL GOVERNMENT THAT THE RENTAL LEVELS FOR SENIOR CITIZENS SHOULD NOT BE ADJUSTED.

AS EXISTING PUBLIC HOUSING LEASES COME UP FOR RENEWAL, THE TERMS FOR NEW LEASES WILL BE EXTENDED FROM ONE TO TWO YEARS WHERE DESIRED.

THE INTEGRATED COMMUNITY HOUSING INITIATIVES OF GOVERNMENT WILL BE EXPANDED TO EMBRACE NON-PROFIT AND OTHER GROUPS WISHING TO DEVELOP HOUSING FOR THE SECTOR SERVED BY OHC PROGRAMS. GREATER DEVELOPMENTAL AND TECHNICAL ASSISTANCE WILL BE PROVIDED TO VOLUNTARY AND NON-PROFIT GROUPS.

I AM ALSO PARTICULARLY PLEASED WITH THE ATTENTION WHICH THE TASK FORCE HAS PAID TO THE HOUSING NEEDS OF SPECIAL GROUPS, SUCH AS ELDERLY PERSONS, NATIVE PEOPLE, HANDICAPPED AND MENTALLY RETARDED PERSONS, STUDENTS AND ROOMERS. WE WILL BE ACTING QUICKLY ON MANY OF THESE SPECIFIC RECOMMENDATIONS IN ADDITION TO THOSE I HAVE ALREADY DISCUSSED, SUCH AS THOSE CONCERNING HOUSING REHABILITATION AND ASSISTANCE TO COOPERATIVE AND NON-PROFIT HOUSING. OTHERS WILL REQUIRE MORE DETAILED EXAMINATION BY THE MINISTER OF HOUSING AND OTHER BRANCHES OF THE GOVERNMENT.

THE STEPS WHICH I HAVE OUTLINED TO-DAY EMPHASIZE THE HIGH PRIORITY WHICH THE GOVERNMENT IS PLACING ON HOUSING. IN THE WEEKS AND MONTHS AHEAD BOTH THE HOUSING ACTION PROGRAM AND THE NEW MINISTRY OF HOUSING WILL BE TAKING MANY MORE STEPS TO SPEED UP AND EXPAND THE PRODUCTION OF HOUSING. OUR PROSPECTS FOR SUCCESS ARE EXCELLENT.

IN 1972 FOR THE FIRST TIME WE PRODUCED MORE THAN 100,000 HOUSING UNITS. THIS YEAR IT APPEARS THAT WE WILL ACHIEVE OVER 110,000. IF WE CAN SUSTAIN THIS RATE OF CONSTRUCTION OVER THE NEXT DECADE WE WILL BE ABLE TO MEET THE MAJOR CHALLENGE FACING US. THIS WILL NEED THE COMBINED EFFORTS OF THE FEDERAL GOVERNMENT, REGIONAL AND LOCAL GOVERNMENTS, THE PRIVATE SECTOR AND VOLUNTARY GROUPS IN COOPERATION WITH THE GOVERNMENT OF ONTARIO.

S U M M A R Y

IN SUMMARY, THE GOVERNMENT WELCOMES THE CONTRIBUTION MADE BY THE MEMBERS OF THE COMAY TASK FORCE ON HOUSING POLICY. THE REPORT ESTIMATES THAT OVER ONE MILLION NEW HOUSING UNITS WILL BE NEEDED IN ONTARIO DURING THE NEXT TEN YEARS.

WE WILL BE MOVING IMMEDIATELY TO IMPLEMENT SEVERAL OF THE KEY RECOMMENDATIONS OF THE REPORT.

FIRST, TO MEET THE PRESENT URGENT NEED FOR HOUSING, THE GOVERNMENT WILL LAUNCH AN IMMEDIATE HOUSING ACTION PROGRAM FOR METRO TORONTO, HAMILTON AND OTTAWA AND PARTS OF NORTHERN ONTARIO. THIS PROGRAM IS DESIGNED TO INCREASE AND ACCELERATE THE NUMBER OF HOUSING UNITS TO BE PRODUCED IN 1974 AND 1975. MR. ELI COMAY, CHAIRMAN OF THE TASK FORCE, HAS AGREED TO HEAD UP THIS PROGRAM.

SECOND, TO IMPLEMENT THE TASK FORCE'S RECOMMENDATIONS, LEGISLATION WILL BE INTRODUCED AT THE EARLIEST POSSIBLE DATE TO ESTABLISH A MINISTRY OF HOUSING.

IN ADDITION, THE GOVERNMENT HAS APPROVED EARLY ACTION ON A NUMBER OF THE RECOMMENDATIONS.

I AM PARTICULARLY PLEASED WITH THE ATTENTION THE TASK FORCE PAID TO HOUSING FOR THOSE WITH SPECIAL HOUSING NEEDS - NATIVE PEOPLE, THE HANDICAPPED AND THE MENTALLY RETARDED.

ACHIEVING OUR HOUSING GOALS WILL NEED THE COMBINED EFFORTS OF ALL THOSE WORKING IN THE FIELD - FEDERAL, REGIONAL AND LOCAL GOVERNMENTS, THE PRIVATE SECTOR AND VOLUNTARY GROUPS WORKING IN COOPERATION WITH THE GOVERNMENT OF ONTARIO.

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Govt. Printer

STATEMENT BY
THE HONOURABLE WILLIAM G. DAVIS
PREMIER OF ONTARIO

TO THE LEGISLATURE
OCTOBER 12, 1973

ON
STAGGERED WORK HOURS FOR THE
ONTARIO PUBLIC SERVICE

MR. SPEAKER, TODAY IT IS MY PLEASURE TO ANNOUNCE THAT BY OCTOBER 29TH THE GOVERNMENT OF ONTARIO WILL INAUGURATE A DEMONSTRATION PROJECT WITH STAGGERED HOURS IN THE QUEEN'S PARK COMPLEX.

THE HONOURABLE MEMBERS WILL RECALL THAT WHEN THE GOVERNMENT PRESENTED ITS NEW URBAN TRANSPORTATION POLICY LAST NOVEMBER, ONE OF THE MAIN ELEMENTS CONCERNED THE VERY FUNDAMENTAL QUESTION OF STAGGERED OR FLEXIBLE WORKING HOURS. WE SAW THIS - AND OUR CONVICTION REMAINS UNALTERED - AS A VERY PROMISING METHOD OF REDUCING PEAK-HOUR CONGESTION. IT WAS MADE KNOWN AT THAT TIME THAT THE GOVERNMENT WAS LOOKING INTO ITS OWN CAPABILITY TO ASSIST IN THIS DIRECTION BY INTRODUCING VARIATIONS IN THE WORK HOURS OF THE PEOPLE IN THE PROVINCIAL PUBLIC SERVICE.

STAGGERED HOURS ARE ATTRACTIVE AS ONE METHOD OF TACKLING TRANSPORTATION PROBLEMS BECAUSE THEY OFFER A MEANS OF MAKING BETTER USE OF ROADS AND TRANSIT THAT AT PRESENT REMAIN COMPARATIVELY IDLE DURING PARTICULAR PERIODS OF THE DAY.

IT FOLLOWS THAT IF STAGGERED OR FLEXIBLE WORKING HOURS WERE ADOPTED ON A WIDE SCALE, THEY WOULD HAVE THE IMMEDIATE EFFECT OF ENABLING COMMUTERS TO USE THIS SPARE CAPACITY IN THE NEAR-PEAK AND OFF-PEAK HOURS IN GREATER COMFORT AND WITH LESS CONGESTION. AN EQUALLY VALUABLE RESULT WOULD BE THAT THE PROCESS WOULD CONTRIBUTE TO THE MORE ECONOMIC OPERATION OF PUBLIC TRANSIT AND PRIVATE AUTOMOBILES.

FROM THE FINANCIAL POINT OF VIEW, A WIDESPREAD SYSTEM OF STAGGERED WORKING HOURS IN LARGER CITIES WOULD REDUCE THE RATE AT WHICH CAPITAL INVESTMENT FOR ADDITIONAL EQUIPMENT WOULD BE REQUIRED TO MEET INCREASING PEAK-HOUR NEEDS.

MR. SPEAKER, CHANGING THE TIME PATTERN IN WHICH THE PEOPLE OF A CITY TRAVEL TO AND FROM THEIR EMPLOYMENT CALLS FOR REORGANIZATION OF WORK PATTERNS. OBVIOUSLY, NEITHER MANAGEMENT NOR EMPLOYEES WOULD WISH TO HAVE NEW AND ARBITRARY TIME SCHEDULES IMPOSED UPON THEM. NEVERTHELESS, IF WE ARE TO ACHIEVE A SIGNIFICANT AND DURABLE IMPROVEMENT IN TRAFFIC CONDITIONS AND MORE ECONOMIC OPERATION OF TRANSIT FACILITIES, WE SHALL NEED TO CONSIDER THE ADOPTION OF A WIDE VARIETY OF STARTING AND FINISHING TIMES, AFFECTING A SUBSTANTIAL PROPORTION OF THE EMPLOYED POPULATION.

A VARIETY OF ARGUMENTS AGAINST STAGGERED WORKING HOURS HAVE BEEN RAISED IN DIFFERENT QUARTERS. FOR EXAMPLE, RESERVATIONS HAVE EXISTED IN THE BUSINESS AND COMMERCIAL COMMUNITY. THERE THE IMPRESSION HAS PREVAILED AMONG SOME THAT UNDER SUCH AN ARRANGEMENT A FEW INDIVIDUAL CORPORATIONS MIGHT HAVE TO SWITCH THE ENTIRE STAFF OF THEIR ORGANIZATIONS TO AN EARLIER OR LATER TIME PERIOD, FOR THE BENEFIT OF THE DOWNTOWN COMMUNITY AS A WHOLE.

OUR OWN RESEARCH SUGGESTS A MORE FEASIBLE APPROACH: THIS IS THAT EVERY COMPANY SHOULD RECONSIDER ITS WORK SCHEDULE FROM THE STANDPOINT OF ARRANGING, WHERE POSSIBLE, THAT THE WORK TIMES OF SOME PORTION OF ITS EMPLOYEES BE STAGGERED.

MOREOVER, BY OFFERING A SELECTION OF WORK TIME OPTIONS, THE COMPANY COULD ALLOW EMPLOYEES THE POSSIBILITY TO HARMONIZE THEIR WORK RESPONSIBILITIES MORE FULLY WITH PERSONAL OR FAMILY CONSIDERATIONS. IN OTHER WORDS, FOR THE EMPLOYEES CONCERNED, ALL CHANGES IN WORKING AND TRAVELLING TIMES WOULD BECOME TO A LARGER EXTENT A MATTER OF CHOICE.

MR. SPEAKER, DURING THIS PAST SUMMER, A REVIEW ALONG THESE LINES WAS CARRIED OUT BY MINISTRIES IN THE QUEEN'S PARK AREA. IT HAD THREE OBJECTIVES: TO STUDY THE POTENTIAL OF STAGGERED WORK SCHEDULES; TO EXPLORE THE LIKELY BENEFITS AND DISADVANTAGES OF SCHEDULE CHANGES; AND TO DEVELOP THE NEW PROCEDURES FOR MANAGEMENT AND SUPERVISION WHICH SUCH CHANGES WOULD REQUIRE.

WE ASKED THE MINISTRIES AND THE PUBLIC SERVICE STAFF TO PUT TO THEMSELVES THE QUESTION: "WHY NOT?", THAT IS, TO EXAMINE THE POSSIBLE BENEFITS IN SCHEDULE CHANGES RATHER THAN TO APPROACH THE MATTER ON THE BASIS OF: "WHY SHOULD WE CHANGE?"

ALL MINISTRIES FOUND THAT A HIGH PROPORTION OF THE ADMINISTRATIVE ACTIVITY SUPPORTING THEIR SERVICES TO THE PUBLIC DID NOT DEPEND ON IDENTICAL STARTING TIMES FOR ALL THE STAFF ENGAGED.

THE NEXT STEP WAS TO RELATE THIS POTENTIAL FLEXIBILITY IN STARTING TIMES TO THE PEAK HOURS OF TRAFFIC IN WHICH THESE SAME EMPLOYEES HAD TO TRAVEL. AS A RESULT, A RANGE OF FEASIBLE AND ADVANTAGEOUS OPTIONS WAS WORKED OUT AND OFFERED TO THE STAFF AS ALTERNATIVES TO CONVENTIONAL HOURS.

WHAT HAS EMERGED FROM THIS PROCESS IS A RANGE OF STARTING TIMES WHICH GIVE EMPLOYEES VARYING DEGREES OF CHOICE IN WORK SCHEDULES.

ONE OF THE PRIMARY OBJECTIVES OF OUR DEMONSTRATION PROJECT IS TO MAKE SURE THAT THE TARGET OF EASING RUSH-HOUR TRAFFIC CONGESTION DOES NOT DIMINISH SERVICE TO THE PUBLIC. EQUALLY IMPORTANT FROM THE POINT OF VIEW OF ITS EFFECTIVENESS AS A DEMONSTRATION IS THE FACT THAT THIS EXPERIMENT WILL ENJOY GOOD SUPPORT FROM THE QUEEN'S PARK STAFF. IT WILL REPRESENT THE LARGEST SINGLE APPLICATION AND TEST SO FAR OF VARIABLE OFFICE WORK SCHEDULES IN ONTARIO.

AROUND 11,500 MEMBERS OF THE ONTARIO PUBLIC SERVICE EMPLOYED IN 16 MINISTRIES IN THE QUEEN'S PARK COMPLEX ARE CONCERNED IN THE DEMONSTRATION PROJECT. MORE THAN 5,500 OF THESE HAVE CHOSEN SCHEDULE OPTIONS WHICH WILL ENABLE THEM TO AVOID PEAK TRAFFIC AND TRANSIT CONGESTION ON THEIR JOURNEYS TO AND FROM QUEEN'S PARK.

UNDER EXISTING CONDITIONS, QUEEN'S PARK EMPLOYEES CONTRIBUTE TO MORNING AND EVENING RUSH HOUR TRAFFIC BECAUSE 95 PER CENT OF THEM TRAVEL TO START WORK AT 8.15 OR 8.30 A.M. DURING THE DEMONSTRATION, ONLY 50 PER CENT WILL BEGIN AT THESE TIMES, WHICH MEANS THAT 50 PER CENT OF OUR STAFF WILL COMMENCE WORK AT OFF-PEAK TIMES RANGING FROM 7.30 TO 9.30 A.M.

LET US NOW TURN FOR A MOMENT TO THE PRIVATE SECTOR SIDE OF THE PICTURE.

MR. SPEAKER, IN THE SEARCH FOR FLEXIBLE WORK SCHEDULES, MANAGEMENT HAS FACED A DOUBLE CHALLENGE: TO PRODUCE TECHNIQUES WHICH WOULD RETAIN THE NECESSARY DEGREE OF CONTROL OVER PERFORMANCE WHILE, AT THE SAME TIME, ALLOWING THE MAXIMUM POSSIBLE FREEDOM TO EMPLOYEES IN CHOOSING THEIR HOURS OF WORK.

AS OUR DEMONSTRATION PROJECT PROCEEDS, THE ONTARIO PUBLIC SERVICE WILL BE EVALUATING ITS EXPERIENCE WITH FLEXIBLE WORK SCHEDULES, AND THOUSANDS OF EMPLOYEES WILL BE TRYING OUT NEW OPTIONS FOR WORKING AND LIVING.

LATER THIS FALL, MR. SPEAKER, I WILL INVITE THE BUSINESS LEADERS OF METROPOLITAN TORONTO, REGIONAL AND LOCAL MUNICIPALITIES, AS WELL AS TRANSPORTATION PLANNERS TO MEET WITH ME SO THAT WE MAY EXPLORE TOGETHER THE USE OF IMAGINATIVE ALTERNATIVES TO OUR WORKING PRACTICES. IT WILL BE OUR IMMEDIATE AND DIRECT OBJECTIVE TO INCREASE THE FREEDOM OF MOVEMENT IN OUR CITIES THROUGH THE LARGE-SCALE APPLICATION OF MORE FLEXIBLE WORK SCHEDULES.

I AM HOPEFUL THAT THIS IMAGINATIVE APPROACH CAN NOW BE EXTENDED TO OTHER EMPLOYERS AND TO MUNICIPALITIES. I WOULD BE HAPPY TO SEE THE PUBLIC SERVICE OF CANADA EXAMINE OUR PROGRAM WITH A VIEW TO MAKING USE OF ANY OF ITS ASPECTS THAT SEEM APPROPRIATE IN ANY EXPANSION OF ITS OWN INITIATIVES.

MAY I RECAPITULATE BRIEFLY: OUR PRIMARY PURPOSE IN PUTTING THIS DEMONSTRATION PROJECT INTO EFFECT IS TO RELIEVE PRESSURE ON OUR TRANSPORTATION SYSTEM. THIS IS BEING DONE ONLY WHERE WE HAVE THE ASSURANCE THAT SERVICE TO THE PUBLIC WILL NOT THEREBY BE DIMINISHED. IT IS PARTICULARLY ENCOURAGING TO HAVE A CONSIDERABLE MEASURE OF SUPPORT FROM THE QUEEN'S PARK STAFF. WE ARE ESPECIALLY GRATIFIED THAT THE PROJECT WILL PROVIDE THE LARGEST SINGLE TEST UP TO NOW OF VARIABLE OFFICE WORK SCHEDULES.

IN THAT CONNECTION, I SHOULD LIKE TO CONGRATULATE AND THANK THE MEMBERS OF OUR PUBLIC SERVICE AND THEIR ASSOCIATION, THE C.S.A.O, FOR THEIR WILLINGNESS TO TAKE PART IN THIS EFFORT TO ACHIEVE BETTER WAYS OF WORKING. THEIR ASSISTANCE WILL MAKE A SIGNIFICANT CONTRIBUTION TO THE GENERAL SEARCH FOR INNOVATIVE MEANS TO MEET THE CHALLENGES OF THE URBAN ENVIRONMENT.

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Publications

B.S. REV NOV 1 1973



*James O'Rourke, M.P. - Toronto
1973-1974*

STATEMENT BY
THE HONOURABLE WILLIAM G. DAVIS
PREMIER OF ONTARIO

TO THE LEGISLATURE
OCTOBER 23, 1973

REGARDING THE PROVISION
OF ADDITIONAL ASSISTANCE TO THE
PUBLISHING INDUSTRY IN ONTARIO

MR. SPEAKER:

I SHOULD LIKE TO ADVISE THE HOUSE OF FURTHER ACTION BEING TAKEN BY THE GOVERNMENT WITH RESPECT TO THE RECOMMENDATIONS OF THE ROYAL COMMISSION ON BOOK PUBLISHING. THIS ACTION WILL AFFORD ADDITIONAL ASSISTANCE TO THE PUBLISHING INDUSTRY IN ONTARIO, INCLUDING AUTHORS, AND WILL PROVIDE AN ADDED STIMULUS TO AN INDUSTRY WHICH MAKES A CRUCIAL CONTRIBUTION TO THE OVERALL CULTURAL DEVELOPMENT OF THIS PROVINCE AND CANADA.

HONOURABLE MEMBERS WILL RECALL, MR. SPEAKER, THAT THE ROYAL COMMISSION WAS APPOINTED IN DECEMBER 1970 WITH A BROAD MANDATE TO STUDY AND MAKE RECOMMENDATIONS ON THE PUBLISHING INDUSTRY IN ONTARIO.

IN RESPONSE TO THE COMMISSION'S INTERIM REPORTS, A NUMBER OF MEASURES HAVE ALREADY BEEN TAKEN TO PROVIDE ASSISTANCE TO THE INDUSTRY, INCLUDING FINANCIAL ASSISTANCE THROUGH A LOAN PLAN, ADMINISTERED BY THE ONTARIO DEVELOPMENT CORPORATION, WITH THE GOVERNMENT SUBSIDIZING THE INTEREST ON THESE LOANS; AND THE PAPERBACK AND PERIODICAL DISTRIBUTORS ACT WHICH LIMITS NON-RESIDENT OWNERSHIP IN BUSINESSES THAT PROVIDE PAPERBACKS AND PERIODICALS FOR RETAIL SALE.

A CAREFUL STUDY OF THE ROYAL COMMISSION'S FINAL REPORT WHICH WAS ISSUED IN DECEMBER 1972 HAS NOW BEEN COMPLETED. THE STUDY, UNDERTAKEN BY AN INTERMINISTERIAL COMMITTEE, WAS CO-ORDINATED BY THE MINISTRY OF COLLEGES AND UNIVERSITIES.

MR. SPEAKER, IN ASSESSING THE ROYAL COMMISSION'S RECOMMENDATIONS, WE HAVE BEEN CONSCIOUS OF THE FUNDAMENTAL IMPORTANCE TO THE CULTURAL LIFE OF THIS PROVINCE OF A HEALTHY, CANADIAN-OWNED BOOK PUBLISHING INDUSTRY. WE HAVE RECOGNIZED THAT THE INDUSTRY PROVIDES A MEDIUM OF ENORMOUS INFLUENCE FOR THE EXPRESSION OF THOSE TRADITIONS, IDEALS, INSIGHTS, VALUES AND ASPIRATIONS FROM WHICH THE FABRIC OF OUR CULTURAL LIFE IS WOVEN.

FOR THESE REASONS THIS INDUSTRY MUST BE CONSIDERED IN THE CONTEXT OF ONTARIO'S OVERALL CULTURAL MOSAIC, NOT IN ISOLATION. YOU WILL RECALL THAT THE COMMISSION ITSELF TOOK THIS BROAD VIEW.

WE HAVE ALSO BEEN GUIDED BY OUR DESIRE TO AVOID DUPLICATION OF EXISTING PROGRAMS; TO USE EXISTING GOVERNMENT STRUCTURES; AND TO STIMULATE THE MAXIMUM AMOUNT OF INDUSTRY SELF-HELP WITH THE MINIMUM OF GOVERNMENT INTERVENTION.

MR. SPEAKER, IN THE AREA OF TRADE, OR NON-EDUCATIONAL PUBLISHING, GOVERNMENT ASSISTANCE IS CURRENTLY PROVIDED TO PUBLISHERS, JOURNALS AND PERIODICALS, INDUSTRY ORGANIZATIONS AND INDIVIDUAL WRITERS THROUGH THE GRANTS PROGRAM OF THE PROVINCE OF ONTARIO COUNCIL FOR THE ARTS. IT IS OUR INTENTION TO PROVIDE ADDITIONAL FUNDS TO THE ARTS COUNCIL TO ENABLE IT TO EXPAND THIS PROGRAM.

WITH RESPECT TO THE PUBLISHING OF EDUCATIONAL BOOKS, WE BELIEVE IT IS OF VITAL IMPORTANCE TO ENSURE A CONTINUING SUPPLY OF CANADIAN BOOKS THAT MEET THE NEEDS OF THE STUDENTS OF THIS PROVINCE. CONSEQUENTLY WE WILL ESTABLISH A LEARNING MATERIALS DEVELOPMENT FUND IN THE MINISTRY OF EDUCATION. COMMENCING IN THE FISCAL YEAR OF 1974/75 THIS FUND WILL BE USED TO STIMULATE THE DEVELOPMENT OF BOOKS AND OTHER LEARNING MATERIALS AS WELL AS TO ASSIST IN THE PRODUCTION OF THESE MATERIALS.

FINANCIAL ASSISTANCE TO THE PUBLISHING INDUSTRY WILL CONTINUE TO BE PROVIDED BY THE ONTARIO DEVELOPMENT CORPORATION THROUGH ITS EXISTING LOAN PLAN, AND WILL BE BASED IN EACH CASE ON AN ASSESSMENT OF A REASONABLE EXPECTATION OF PERFORMANCE.

WITHIN THE FRAMEWORK I HAVE OUTLINED, THE MINISTRY OF COLLEGES AND UNIVERSITIES WILL DEVELOP THE GOVERNMENT'S RESPONSE WITH RESPECT TO THE COMMISSION'S MORE DETAILED RECOMMENDATIONS.

IN CONCLUSION, MR. SPEAKER, I SHOULD LIKE TO REAFFIRM THE GOVERNMENT'S COMMITMENT TO MAINTAINING A VIABLE CANADIAN PUBLISHING INDUSTRY IN ONTARIO AND TO EMPHASIZE AGAIN OUR DETERMINATION TO ENSURE FOR THE PEOPLE OF ONTARIO THAT THIS INDUSTRY IS CAPABLE OF CONTINUING TO MAKE A CONTRIBUTION TO OUR EDUCATION SYSTEM AND TO OUR CULTURE.

THE GOVERNMENT'S RESPONSE TO THE INTERIM AND FINAL REPORTS OF THE ROYAL COMMISSION ON BOOK PUBLISHING POINT THE DIRECTION, AND PROVIDE A FOUNDATION FOR THESE AIMS TO BE ACHIEVED.

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Government
Publication

Prime Minister, 1971-1974

in the House of Commons

REMARKS BY
THE HONOURABLE WILLIAM G. DAVIS
PREMIER OF ONTARIO

ON THE GASOLINE AND FUEL OIL
PRICE FREEZE

IN THE LEGISLATURE

JULY 3, 1975

MR. SPEAKER:

AT THE FIRST MINISTERS' CONFERENCE ON APRIL 19 OF THIS YEAR I POINTED OUT AS SERIOUSLY AS I WAS ABLE THAT ENERGY POLICY -- OF WHICH ENERGY PRICING IS A MOST CRUCIAL COMPONENT -- MUST BE DESIGNED WITHIN THE FRAMEWORK OF A NATIONAL POLICY THAT SERVES SHORT-TERM AS WELL AS LONG-TERM INTERESTS OF ALL CANADIANS.

THERE IS LITTLE DISAGREEMENT AS TO CANADA'S POLICY NEEDS. INFLATION IS SEVERE AND DANGEROUS. THE RANKS OF THE UNEMPLOYED ARE SWELLING AND EMPLOYMENT OPPORTUNITIES ARE NOT EXPANDING AT AN ACCEPTABLE RATE. COSTS EVERYWHERE ARE ESCALATING.

CANADA'S NEED IS FOR POLICY THAT ADDRESSES THESE SEVERE PROBLEMS.

GIVEN THE PERILOUS AND UNCERTAIN ECONOMIC ENVIRONMENT ONTARIO HAS VIGOROUSLY OPPOSED ANY INCREASE IN THE PRICES OF CRUDE OIL AND NATURAL GAS AT THIS TIME. AT THE FIRST MINISTERS' CONFERENCE I UNDERLINED THAT THE NATIONAL PRIORITY MUST BE THE RESTORATION OF OUR FALTERING ECONOMY. I AGREED THAT -- ONCE THAT ACCOMPLISHMENT IS CLEARLY BEHIND US -- WE MIGHT APPROPRIATELY CONSIDER ADJUSTMENTS IN NATURAL GAS AND CRUDE OIL PRICES.

WHY WAS IT NECESSARY FOR THE PRICE OF CRUDE OIL TO GO UP \$1.50 A BARREL WELLHEAD AS OF JULY 1?

WHY IS IT NECESSARY FOR THE PRICE OF NATURAL GAS TO BE JUMPED BY 43 CENTS AS OF NOVEMBER 1?

WHY MUST THE GOVERNMENT OF CANADA IMPOSE A TAX WHICH EXTRACTS FROM THE POCKETS OF CANADIANS TEN ADDITIONAL CENTS FOR EVERY GALLON OF GASOLINE THAT THEY PURCHASE?

THERE CAN BE NO MISTAKE ABOUT ONE THING. THESE INCREASES ARE NOT NECESSARY TO ACHIEVE THE FUNDS NEEDED TO SUBSIDIZE OIL CONSUMERS IN THE EASTERN PART OF THIS NATION. THE INCREASE IN THE REVENUES ACCRUING TO THE GOVERNMENT OF CANADA AS A DIRECT CONSEQUENCE OF THE 10 CENT A GALLON REVENUE TAX ON GASOLINE, THE ESCALATION BY \$1.50 A BARREL OF THE PRICE OF CRUDE OIL AND THE 43 CENT PER THOUSAND CUBIC FEET INCREASE IN THE PRICE OF NATURAL GAS WILL EXCEED BY TWO OR THREE TIMES THE REVENUE REQUIRED TO COVER THE DIFFERENCE BETWEEN THE COMPENSATION PAYMENTS TO THE EASTERN PROVINCES AND THE REVENUES FROM THE EXPORT SUBSIDY LEVIED BY THE GOVERNMENT OF CANADA ON OIL EXPORTS.

THERE IS NO REASON FOR THESE TAXES, OTHER THAN THE PROPENSITY OF THE GOVERNMENT OF CANADA TO CONSUME MONEY.

INCREASES IN THE PRICE OF CRUDE OIL AND NATURAL GAS ARE SIMPLY TAXES -- THEY ARE DIFFERENT ONLY IN FORM AND INCIDENCE FROM THE 10 CENTS A GALLON EXCISE TAX PLACED DIRECTLY. THE PRICE OF PETROLEUM PRODUCTS IS NOW A FUNCTION OF THE NEED FOR ADDITIONAL REVENUES BY GOVERNMENT. THE FACT MUCH OF THIS REVENUE GOES TO THE PRODUCING PROVINCES IN THE FORM OF ROYALTIES DOES NOTHING TO ALTER THE FACT THAT A FEDERAL INITIATIVE IN PETROLEUM PRICES IS EXERCISED TO FATTEN FEDERAL COFFERS.

CRUDE OIL AND NATURAL GAS IN CANADA IS NO LONGER MANAGED IN THE ECONOMIC INTERESTS OF THE NATION. IT HAS BEEN CONVERTED INTO A HAPPY HUNTING GROUND FOR THE FEDERAL TAX GATHERER.

THE TAXES ON GASOLINE AND OTHER ENERGY SOURCES WAS NOT THE ONLY IRRATIONAL ELEMENT IN THIS SURPRISING DOCUMENT. THE BUDGET SPEECH OF JUNE 23 WAS REplete WITH FATUOSITIES.

LIP SERVICE WAS PAID TO ROLLING BACK GOVERNMENTAL COSTS: THE MINISTER OF FINANCE BOASTED OF HIS SUCCESS IN SQUEEZING A BILLION DOLLARS OUT OF GOVERNMENT OF CANADA EXPENDITURES.

WHAT IS THE FACT?

THE FACT IS THAT ON A NATIONAL ACCOUNTS BASIS EXPENDITURES THIS YEAR WILL BE 16.8 PER CENT HIGHER THAN ACTUAL EXPENDITURES LAST YEAR.

THE MINISTER OF FINANCE TALKED ABOUT ECONOMIZING IN GOVERNMENT SALARY BUDGETS. How? BY TOLERATING A RATE OF INCREASE IN THE PUBLIC SERVICE OF 3.1 PER CENT IN THE BUDGET YEAR.

AT A TIME OF UNEMPLOYMENT AND INFLATION THE GOVERNMENT OF CANADA HAS BROUGHT IN A TAX-RAISING INFLATIONARY BUDGET THAT WILL REDUCE THE GROWTH OF JOBS IN CANADA AND THAT WILL BEAR, WITH PARTICULAR SEVERITY, ON THE PEOPLE OF ONTARIO.

IT IS A BUDGET THAT WILL WASH OVER THE PRUDENT AND RELEVANT BUDGETS OF SEVERAL OF THE PROVINCES, INCLUDING ONTARIO.

IT IS A BUDGET THAT IS INAPPROPRIATE
TO THE CIRCUMSTANCES OF CANADA.

IT IS A BUDGET THAT FLIES VIGOROUSLY IN
THE FACE OF THE NATIONAL INTEREST.

IN A NUMBER OF ITS ELEMENTS IT ALSO FLIES
IN THE FACE OF ACKNOWLEDGED FACTS.

IT ASSERTS A BILLION DOLLAR CUT IN FEDERAL
SPENDING.

IT ASSERTS RESTRICTING OF SALARY BUDGETS
IN THE FEDERAL PUBLIC SERVICE.

NEITHER ASSERTION BEARS SCRUTINY.

THE MINISTER AMENDED KNOWN FACTS TO FIT
THE FICTIONS OF THE FEDERAL GOVERNMENT WHEN HE
ASSERTED THAT "... WE ARE FULLY CONSCIOUS OF THE
SHORT-TERM ADVERSE EFFECTS OF A SHARP INCREASE IN
THE DOMESTIC PRICE OF OIL AND NATURAL GAS. WE ARE,
HOWEVER, FACED WITH A GROWING DEPENDENCE ON IMPORTED
OIL. WE HAVE TO RECOGNIZE THE LONG-TERM NEED TO
DEVELOP NEW SOURCES OF SUPPLY IN CANADA AND TO
PROMOTE GREATER ECONOMIES IN THE CONSUMPTION OF
THESE SCARCE RESOURCES."

THE FACT? THE FACT IS THAT THE GOVERNMENT OF CANADA HAS CONVERTED THE GROWING REVENUES FROM HIGHER CRUDE OIL AND NATURAL GAS PRICING TO ITS OWN USE. IT IS ACKNOWLEDGED BY ANYONE WHO HAS EXAMINED THE FACTS THAT INCREASING PRICE DOES NOT CREATE INCENTIVES THAT RESULT IN THE PRODUCTION OF ADDITIONAL SUPPLIES. IT MERELY RAISES THE TAX AND ROYALTY TAKE.

THE REFERENCE TO CONSERVATION, IN THIS CONTEXT, IS DEMAGOGIC. OF COURSE WE ALL FAVOUR ENERGY CONSERVATION. BUT WE DON'T FAVOUR IT AT THE PRICE OF FURTHER INFLATION AND THE FURTHER EROSION OF POTENTIAL JOBS IN A TIME OF INFLATION AND UNEMPLOYMENT.

THE REASONS GIVEN FOR THE OIL AND GAS PRICE INCREASES DO NOT STAND UP TO SCRUTINY.

BUT WE HAVE NO VETO OVER FEDERAL GOVERNMENT TAX POLICY, NO MATTER HOW INAPPROPRIATE THAT POLICY.

IT IS A SAD DAY WHEN THE GOVERNMENT OF THE PEOPLE OF THIS PROVINCE MUST DEVOTE ITS EFFORTS TO PROTECTING THE CONSUMING PUBLIC IN ONTARIO FROM THE GOVERNMENT OF CANADA'S VORACIOUS APPETITES FOR REVENUE. THAT DAY DAWNED ON JUNE 23.

OUR OPTIONS ARE CONSTITUTIONALLY LIMITED. BUT WE WILL VIGOROUSLY UTILIZE THOSE WE HAVE.

TODAY MY GOVERNMENT PROPOSES TO INTRODUCE AN ACT TO BE KNOWN AS THE GASOLINE AND FUEL OIL PRICE FREEZE ACT, 1975. THE BILL IMPOSES A TEMPORARY FREEZE ON REFINED PETROLEUM PRODUCTS SOLD IN ONTARIO. THE PRICE FIXED WILL BE THAT PREVAILING ON JUNE 23, SUBJECT ONLY TO THE UNAVOIDABLE INCREASE DUE EXCLUSIVELY TO THE GOVERNMENT OF CANADA TAX OF TEN CENTS A GALLON. THE FREEZE WILL BE FOR 90 DAYS BEGINNING MIDNIGHT TONIGHT, SUBJECT TO LIMITED EXTENSION BY THE LIEUTENANT GOVERNOR IN COUNCIL IF THE ASSEMBLY IS RECESSED OR NOT IN SESSION.

THIS FREEZE WILL ENSURE THAT THERE IS NO DOUBLE TICKETING BY THE OIL COMPANIES -- THAT CONSUMERS IN ONTARIO WILL NOT HAVE TO PAY THE FIVE CENTS A GALLON FOR GASOLINE OR HEATING OIL THAT WILL RESULT FROM THE INCREASE OF \$1.50 A BARREL FOR CRUDE OIL WHILE ANY OF THE INVENTORY OF OIL PURCHASED AT THE PRE-JULY 1 PRICE OF \$6.50 REMAINS.

I HAVE MET WITH THE PRINCIPALS OF PETROLEUM COMPANIES THAT MERCHANDISE PETROLEUM PRODUCTS IN ONTARIO. THEY HAVE EXPLAINED THEIR PROBLEMS WITH RESPECT TO CASH FLOW -- THAT THE REPLACEMENT OF INVENTORY WILL MEAN THEY MUST INCUR ADDITIONAL COSTS AS THEIR INVENTORY OF LESS COSTLY OIL IS SOLD. I AM NOT UNAWARE OF THE LEGITIMACY OF SOME OF THEIR CONCERNS. BUT THE WHOLLY LEGITIMATE INTERESTS OF THE CONSUMING PUBLIC MUST BE SERVED. IT MUST BE CLEARLY ESTABLISHED THAT ALL CHARGES MADE BY THE OIL COMPANIES NOT ARISING DIRECTLY FROM THE COST OF CRUDE OIL ITSELF ARE JUSTIFIED.

THE GOVERNMENT OF CANADA PROPOSED A 45 DAY DELAY IN THE INTRODUCTION OF THIS INCREASE IN GASOLINE AND HEATING OIL PRICES ATTRIBUTABLE TO THE INCREASE IN THE FIELD PRICE OF CRUDE OIL TO \$8.00 A BARREL. MY MINISTER OF ENERGY URGED THE RESPONSIBLE MINISTER IN OTTAWA TO JUSTIFY THE 45 DAY PERIOD OR TO EXTEND IT TO 90 DAYS. HE DID NEITHER.

OUR NATIONAL GOVERNMENT IS EVIDENTLY SO WEDDED TO HIGHER PRICES FOR THE CONSUMERS THAT, PERHAPS, THEY REGARDED IT AS MINOR AND UNIMPORTANT. BUT, TO THE FIVE CENTS A GALLON DIRECTLY ATTRIBUTABLE TO THE INCREASE IN THE FIELD PRICE OF CRUDE OIL, THE FEDERAL GOVERNMENT SUGGESTS ADDITIONAL CHARGES BY THE OIL COMPANIES. THE MINISTER OF ENERGY, MINES AND RESOURCES PROMISES US FEDERAL GUIDELINES. GIVEN THE CIRCUMSTANCES WE CAN TAKE LITTLE COMFORT FROM THIS PROSPECT.

ONTARIO WILL TOLERATE NO INCREASES UNTIL SUCH TIME AS WE ARE SATISFIED THAT THE PRICE CHARGED FOR GASOLINE AT THE PUMPS AND THE HEATING OIL DELIVERED TO OUR HOMES IS JUSTIFIED.

WE SEE A NEED FOR THE CAREFUL MARSHALLING OF RELEVANT FACTS THAT WILL BE ON HAND AT THE CONCLUSION OF THE 90 DAY PRICE FREEZE. WE SEE A NEED FOR THE OIL COMPANIES TO FULLY EXPLAIN TO THE CONSUMING PUBLIC THEIR POSITION AND NEEDS IN CONNECTION WITH INCREASES IN CRUDE OIL PRICES.

THEREFORE, MY GOVERNMENT PROPOSES TO APPOINT A ONE-MAN ROYAL COMMISSION TO MARSHALL FACTS AND, AS NECESSARY, TO MAKE RELEVANT RECOMMENDATIONS. THE MINISTER OF ENERGY WILL BE ANNOUNCING TERMS OF REFERENCE. HOWEVER, I CAN SAY THAT THE COMMISSIONER WILL ASSESS THE ADEQUACY OF THE FEDERAL PRICE GUIDELINES AS THEY APPLY TO ONTARIO. HE WILL FORM OPINIONS AS TO FAIR AND REASONABLE PRICING ARRANGEMENTS TO APPLY BEYOND THE 90 DAY FREEZE THAT IS PROPOSED BY MY GOVERNMENT. THROUGH MONITORING EXPERIENCE OVER THE NEXT THREE MONTHS AND ANALYSING THE RESULTS OF THE FREEZE, HE WILL BE ABLE TO RECOMMEND PROCEDURES FOR DEALING WITH ANY PRICE CHANGE --PRESUMABLY INCREASE -- THAT THE GOVERNMENT OF CANADA MAY ATTEMPT TO IMPOSE UPON THE CONSUMERS OF ONTARIO NEXT YEAR OR IN SUBSEQUENT YEARS.

ONTARIO, LIKE OTHER PROVINCES, MUST
ENDURE NATIONAL POLICIES, NO MATTER HOW
INAPPROPRIATE THEY MAY BE. BUT, IN SPITE OF
FEDERAL INITIATIVES, WITHIN THE CONSTITUTIONAL
CONSTRAINTS THAT APPLY, WE WILL DO EVERYTHING IN
OUR POWER TO PROTECT THE CONSUMERS OF THIS PROVINCE.
THIS IS WHAT I HAVE MADE EXPLICIT TODAY.

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NOTES FOR

THE HONOURABLE WILLIAM G. DAVIS

PREMIER OF ONTARIO

OPENING REMARKS



MACDONALD BLOCK

QUEEN'S PARK

JANUARY 27, 1981

CHECK AGAINST DELIVERY

ON BEHALF OF MY CABINET COLLEAGUES AND ALL THOSE WHO HAVE WORKED SO INTENSIVELY ON THIS PROJECT, I WANT TO EXPRESS MY SINCERE APPRECIATION THAT YOU COULD ACCEPT MY INVITATION TO BE WITH US THIS MORNING.

IT IS APPROPRIATE AND, I BELIEVE, QUITE IMPORTANT THAT OUR MANY FACETED ECONOMY AND OUR MAJOR INSTITUTIONS ARE EFFECTIVELY REPRESENTED ON THIS OCCASION.

IT IS MY HONOUR TO PRESENT TO YOU A PROGRAM ENTITLED, "BUILDING ONTARIO IN THE 1980's." THIS DEVELOPMENT PROGRAM EXPRESSES, IN CLEAR AND AMBITIOUS TERMS, OUR GOVERNMENT'S COMMITMENT TO WORK WITH YOU, AND TO BUILD WITH YOU, A DECADE OF STRONG AND SHARED ECONOMIC EXPANSION ACROSS ONTARIO.

THIS DOCUMENT CONCENTRATES ON SIX MAJOR CHALLENGES WHICH DESERVE OUR HIGHEST ATTENTION: ELECTRICITY; TRANSPORTATION; RESOURCES; TECHNOLOGY; PEOPLE; AND, COMMUNITY. THESE SIX THEMES CORRECTLY EMBRACE ONTARIO'S GREAT STRENGTHS AND OPPORTUNITIES: THIS PROGRAM IS DESIGNED TO HELP US REALIZE THEIR FULLEST POTENTIAL.

TO THAT END, AND WITH THE FULL AUTHORITY OF THE GOVERNMENT, THE NEWLY-CREATED, BOARD OF INDUSTRIAL LEADERSHIP AND DEVELOPMENT WILL IMMEDIATELY UNDERTAKE A SERIES OF DEVELOPMENT INITIATIVES AND PROCEED TO IMPLEMENT THE LONG-TERM INVESTMENT STRATEGY OUTLINED IN THIS PAPER.

WHILE IT IS NEITHER ALL-INCLUSIVE NOR INFLEXIBLE, THIS PROGRAM DOES ENVISAGE AN ARRAY OF SPECIFIC INITIATIVES AND AN INVESTMENT OF BOTH PUBLIC AND PRIVATE FUNDS OF AT LEAST \$1.5 BILLION, DURING THE NEXT FIVE YEARS.

BEFORE THE TREASURER SPEAKS TO YOU, AND BEFORE I DISCUSS SEVERAL BASIC PRINCIPLES WHICH I BELIEVE MUST GUIDE AND DISCIPLINE OUR ECONOMIC DEVELOPMENT POLICIES, I WOULD LIKE SIMPLY TO ENUMERATE SEVERAL OF THE MAJOR PROGRAMS WE HAVE DECIDED TO UNDERTAKE.

. ELECTRICAL GENERATION PROJECTS WILL BE ACCELERATED. OUR GOVERNMENT IS STRONGLY COMMITTED TO THE EXTENSION OF NUCLEAR AND OTHER FORMS OF ENERGY, AS AN ESSENTIAL ALTERNATIVE AT THIS TIME. WHILE I DO RESPECT THOSE WHO ARE UNEASY ABOUT THE NUCLEAR OPTION, I AM CONFIDENT THAT IT IS GENERALLY ACCEPTED BY MOST OF OUR CITIZENS AS A SAFE AND RELIABLE SOURCE OF ELECTRICAL POWER, NECESSARY TO PROTECT OUR INTERESTS UNTIL OTHER TECHNOLOGIES ARE IN PLACE.

- . IN ORDER TO REDUCE OUR DEPENDENCE ON FOSSIL FUELS, VARIOUS MEASURES WILL BE UNDERTAKEN TO ENCOURAGE THE USE OF ELECTRICITY IN HOME HEATING AND INDEED, IN THE TRANSPORTATION SECTOR AS WELL. FOR INSTANCE, A PROVINCE-WIDE HEAT PUMP RENTAL PROGRAM WILL BE INTRODUCED, AND GO TRANSIT AND OTHER PUBLIC TRANSIT SYSTEMS WILL BE ELECTRIFIED.

- . IN ORDER TO CONSOLIDATE OUR LEADERSHIP POSITION IN THE TRANSPORTATION INDUSTRY, THE GOVERNMENT WILL INCREASE ITS INVESTMENT IN THE URBAN TRANSPORTATION DEVELOPMENT CORPORATION, AND WILL SUPPORT IMMEDIATE ACTION TO UPGRADE THE WINDSOR-QUEBEC CITY RAILWAY CORRIDOR.

- . WE WILL EXPAND OUR INVESTMENT IN OUR RICH AND EXTRAORDINARILY DIVERSE RESOURCE BASE. FOR EXAMPLE, THE IMPROVEMENT AND EXPANSION OF OUR FARMLANDS WILL BE ASSISTED; GREATER FOOD PROCESSING AND MARKETING IN ONTARIO WILL BE SUPPORTED; AND WE WILL ACT DIRECTLY TO HELP INCREASE CANADIAN ENTREPRENEURSHIP IN THE RESOURCE MACHINERY AND EQUIPMENT INDUSTRIES.

- . OUR FUTURE AS A COMPETITIVE INDUSTRIAL ECONOMY REQUIRES THAT ONTARIO BE AT THE FOREFRONT OF TECHNOLOGICAL INNOVATION AND ITS INDUSTRIAL APPLICATION. IN ORDER TO ENSURE THAT WE MEET THIS CHALLENGE IN TIME, THE GOVERNMENT WILL PROVIDE NEW SUPPORT FOR RESEARCH AND DEVELOPMENT AND THE MARKET EXPANSION OF OUR HIGH TECHNOLOGY INDUSTRIES.

FOR INSTANCE, A NEW ORGANIZATION, TO BE CALLED THE I.D.E.A. CORPORATION, WILL BE FORMED, REPRESENTING BUSINESS, ACADEMIC, LABOUR AND GOVERNMENT RESEARCH COMMUNITIES. ITS MANDATE WILL BE TO CO-ORDINATE OUR GOVERNMENT'S EFFORTS AND TO PROMOTE: NEW TECHNOLOGIES; THE SUPPLY OF SKILLED MANPOWER; AND THE PRACTICAL APPLICATION OF NEW TECHNOLOGY AND NEW IDEAS BY INDUSTRY. FURTHERMORE, THE GOVERNMENT WILL PROVIDE SIGNIFICANT FINANCING FOR THE CREATION OF A WORLD-SCALE AUTO PARTS TECHNOLOGY CENTRE.

THE DEVELOPMENT OF A HIGH-SKILLED LABOUR FORCE IS NOW EVERY BIT AS GREAT A CHALLENGE AS THE ACQUISITION OF NEW HARDWARE. IT IS CLEAR THAT THE HUMAN RESOURCES ARE THERE, AND IT IS CLEAR THAT IF WE ARE TO COMPETE IN THE NEW MARKETS OF THE 1980's OUR HUMAN SKILLS MUST BE BETTER EMPLOYED. THIS IS A COMMERCIAL IMPERATIVE, AND A SHARED RESPONSIBILITY. FOR OUR PART, THE GOVERNMENT WILL EXPAND ITS SUPPORT FOR TRAINING PROGRAMS, BOTH WITHIN OUR LEARNING INSTITUTIONS AND OUR INDUSTRIES.

. WHILE IT IS WELL ACCEPTED THAT THE PRESERVATION OF OUR COMMUNITIES IS AN IMPORTANT OBJECTIVE OF CIVILIZED ECONOMIC POLICY, IT SHOULD BE BETTER APPRECIATED THAT VIABLE COMMUNITIES, IN THEMSELVES, ATTRACT ECONOMIC ACTIVITY, AND ARE A VITAL ECONOMIC ASSET TO ONTARIO.

RECOGNIZING THIS, THE GOVERNMENT WILL EXPAND ITS INVESTMENT IN OUR CULTURAL LIFE; IN THE TOURIST AND RECREATIONAL INDUSTRIES, AND IN LOCAL SERVICES WHICH EXPAND BOTH THE ATTRACTIVENESS AND THE GROWTH INFRASTRUCTURE OF LOCAL COMMUNITIES.

IN ADDITION WE HAVE DECIDED TO SIGNIFICANTLY INCREASE OUR SUPPORT FOR COMMUNITY DEVELOPMENT CORPORATIONS IN ORDER TO ENCOURAGE LOCAL SELF-HELP PROJECTS TO WIDEN COMMERCIAL OPPORTUNITIES AND LOCAL EMPLOYMENT.

LADIES AND GENTLEMEN, WHAT WE HAVE PLACED BEFORE YOU IS A BROAD-BASED ECONOMIC DEVELOPMENT PROGRAM, WHICH I BELIEVE CAREFULLY REFLECTS THE DIVERSITY OF ONTARIO; ITS TRUE CIRCUMSTANCES; AND THE UNDERLYING SPIRIT OF ITS PEOPLE, WHICH WE ARE CHARGED TO SERVE.

BRIEFLY, I WOULD LIKE TO DISCUSS HOW I SAW OUR TASK IN PREPARING THIS STRATEGIC PROGRAM AND MY UNDERSTANDING OF THE BASIC PRINCIPLES AND ASSUMPTIONS WHICH SHAPED THESE FUNDAMENTAL INVESTMENTS ON THE FUTURE WELL-BEING OF EVERY ONTARIAN.

ABOVE ALL WE ARE SAYING WITHOUT EQUIVOCATION THAT ECONOMIC GROWTH MUST BE THE HIGHEST CONCERN OF GOVERNMENT TODAY. WE REMAIN FIRMLY COMMITTED TO RESTRAINT. HOWEVER, RESPONSIBLE LEADERSHIP MUST NOT ONLY LIMIT GROWTH IN GOVERNMENT; IT MUST ALSO ENSURE REAL GROWTH IN THE ECONOMY.

THE GROUND WE HOLD IS SOLID: ONTARIO AND CANADA CAN AVOID EXTREMES AND MUST BUILD WITH CARE AND WITH PRUDENCE. NEVERTHELESS, IT IS ESSENTIAL THAT ALL OF US WHO WISH TO PRESERVE OUR ENTERPRISE SYSTEM COME TO GRIPS WITH THE MENACING REALITY THAT ANTI-GROWTH POLICIES ARE INADEQUATE AND IMPERIL OUR FUTURE.

IMPATIENCE WITH OUR IMMEDIATE ECONOMIC CIRCUMSTANCES DOES NOT CONSTITUTE A SOCIAL MALAISE, BUT A HEALTHY RECOGNITION THAT WE CAN DO BETTER.

THIS PROGRAM REAFFIRMS OUR COMMITMENT TO SOCIAL PROGRESS THROUGH ECONOMIC GROWTH. IT REJECTS THE ARGUMENT THAT SIGNIFICANT IMPROVEMENT IS NOW UNATTAINABLE. INDEED, IT ASSERTS THAT FAILURE TO PROMOTE GROWTH IS UNSAFE, UNFAIR, AND ECONOMICALLY INEXCUSABLE.

THE STRONG PERFORMANCE OF OUR ECONOMY IN THE PAST HAS BEEN OUR GREATEST SOCIAL ACHIEVEMENT. IT HAS CREATED OPPORTUNITIES FOR THE DISADVANTAGED TO ADVANCE, FOR FAMILIES TO EDUCATE THEIR CHILDREN, AND FOR THE AVERAGE WORKER TO GAIN THE SECURITY OF HOME OWNERSHIP AND AN ADEQUATE PENSION. IT HAS ENABLED GOVERNMENT TO OBTAIN THE FUNDS FOR FRUITFUL INITIATIVES RANGING FROM HEALTH CARE TO SCIENTIFIC EXPLORATION.

YET, WEAK GROWTH AND STAGFLATION CAN FRUSTRATE OUR LONG-STANDING GOALS AND JEOPARDIZE OUR SOCIAL ADVANCE. THEY LIMIT OPPORTUNITIES FOR YOUNG MEN AND WOMEN AND FOR ALL THOSE WHO ARE ANXIOUS TO IMPROVE THEMSELVES; THEY REDUCE THE REWARDS OF WORK AND THRIFT; AND THEY IMPERIL GOVERNMENTS' CAPACITY EVEN TO MAINTAIN EXISTING SOCIAL PROGRAMS.

IN LARGE MEASURE, OUR DIFFICULTIES HAVE BEEN IMPOSED UPON US BY AN UNCERTAIN AND UNSTABLE INTERNATIONAL ENVIRONMENT. HOWEVER, OUR PROBLEMS ARE NOT SELF-CORRECTING; THEY CAN ONLY BE OVERCOME BY ACTIVE AND AGGRESSIVE LEADERSHIP FROM BOTH LEVELS OF GOVERNMENT IN CANADA.

I HAVE WRITTEN THE PRIME MINISTER REGARDING TEN OF THE MANY INDUSTRIAL INVESTMENT INITIATIVES OUTLINED IN THIS PROGRAM, WHICH WE BELIEVE ARE OF INDISPUTABLE NATIONAL SIGNIFICANCE AND, CONSEQUENTLY, WORTHY OF FEDERAL GOVERNMENT SUPPORT. FURTHERMORE, WE HAVE STATED AND WE CONTINUE TO BELIEVE THAT THE GOVERNMENT OF CANADA SHOULD REVIEW ITS PRESENT ANTI-GROWTH INFLATION POLICY.

WE SEEK CO-OPERATION, AND IN THAT REGARD WE CAN BE PATIENT. HOWEVER, WHETHER OR NOT OTTAWA RISES TO THE IMMEDIATE CHALLENGE, ONTARIO WILL ACT ON THE COMMITMENTS WE ARE MAKING THIS MORNING.

BEFORE CONSIDERING NEW POLICIES TO RESTORE ECONOMIC GROWTH, I BELIEVE TWO BASIC PRINCIPLES MUST BE ACCEPTED; PRINCIPLES WHICH EXPERIENCE HAS TAUGHT US, GOVERNMENTS MUST RESPECT IN PURSUING OUR WIDEST ECONOMIC OPPORTUNITIES:

FIRST, ECONOMIES, INDUSTRIES AND INDIVIDUALS ARE MOST PRODUCTIVE AND MOST CREATIVE WHEN THEY RESPOND TO NEW ECONOMIC CHALLENGES AND COMPETITIVE REALITIES IN THE MARKET PLACE. THUS, GOVERNMENT SHOULD WORK WITHIN THE DYNAMICS OF PRIVATE INITIATIVE AND FREE MARKETS TO ACHIEVE ITS SOCIAL OBJECTIVES.

SECOND, INDIVIDUALS, ENTERPRISES AND LOCAL ECONOMIES IN CANADA ARE STRONGER AND MORE PROSPEROUS BECAUSE THEY SHARE IN THE ABUNDANCE OF ONE CANADA. GOVERNMENTS IN CANADA MUST CO-OPERATE TO ENHANCE OUR ECONOMIC UNION AND ACHIEVE OUR ECONOMIC OBJECTIVES.

I AM SATISFIED THAT MY GOVERNMENT HAS REMAINED SENSITIVE TO THESE GREAT REALITIES AND THAT OUR HOPES AND OUR INITIATIVES FOR THE 1980's FAITHFULLY REFLECT SUCH A PRAGMATIC AND WIDE-RANGING PERSPECTIVE.

IF CANADA IS TO ADVANCE AS A MODERN ECONOMY, IT MUST BE A HOME OF EXCELLENCE. IF ONTARIO IS TO PROSPER AS AN INDUSTRIAL CENTRE, IT MUST EMBRACE THE INNOVATOR, THE RISK-TAKER, AND THE REWARDS AND CHALLENGES OF THE WORLD OUTSIDE.

AS A PRAGMATIST, I AM NOT SUGGESTING THAT GOVERNMENTS CAN BE INDIFFERENT OR ABSOLVE THEMSELVES OF ANY RESPONSIBILITY TO DIRECT OR CIVILIZE EVENTS IN THE MARKET PLACE.

IN RESPONSIBLE ENTERPRISE SOCIETIES, GOVERNMENT MUST HAVE THE COURAGE TO INVEST WHERE THAT INVESTMENT IS ESSENTIAL TO SECURING OPPORTUNITIES FOR INDIVIDUAL CITIZENS, GIVEN THE FORCES OF A MARKET ECONOMY.

THIS PROGRAM IS NOT BASED ON THE PRETENSION THAT GOVERNMENT SHOULD SECOND-GUESS CREATIVE FORCES ALREADY ALIVE AND WELL IN THE PRIVATE SECTOR. FURTHERMORE, IT DOES NOT IMPLY A TRANSFER OF ADDITIONAL ECONOMIC POWER TO GOVERNMENT, BUT RATHER A TIMELY RE-ORGANIZATION OF RESOURCES WE ALREADY POSSESS.

BY PROVIDING NEW PUBLIC CAPITAL TO MEET NEW NEEDS, WE ARE BUILDING ON THE WISE TRADITION OF PARTNERSHIP, WHICH BUILT THIS PROVINCE.

ABOVE ALL, I AM CONVINCED THAT THAT PARTNERSHIP BETWEEN GOVERNMENT AND THE VARIOUS ELEMENTS OF OUR ECONOMY IS INTACT AND IS IN WORKING ORDER, BECAUSE THERE REMAINS A STURDY CONSENSUS WITHIN ONTARIO, THAT CHANGE AND NEW CHALLENGES CANNOT BE AVOIDED, BUT MUST BE WELCOMED IF WE ARE TO SECURE A DECENT AND EXPANSIVE FUTURE FOR OUR CHILDREN AND OUR COUNTRY.

IN A NUTSHELL, GOVERNMENT MUST BE PREPARED TO EMBRACE CHANGE AND NEW INITIATIVE IF THE BEST OF OUR PROSPERITY IS TO BE PRESERVED AND ENHANCED.

MY GOVERNMENT IS DETERMINED TO KEEP ITS PART OF THE BARGAIN: IT IS MY CONFIDENT EXPECTATION, THAT, TOGETHER, WE WILL IGNITE THE DYNAMIC GROWTH POTENTIAL OF OUR PROVINCE; AND DEMONSTRATE TO CANADA THAT ONTARIO IS ANXIOUS TO GET ON WITH THESE EXCITING NEW CHALLENGES.

A STRONG AND ASSERTIVE ONTARIO ECONOMY WILL BE A KEY AND CRITICAL PART OF AN INTERNATIONALLY COMPETITIVE AND PROSPEROUS CANADIAN ECONOMY. THAT KIND OF COMPETITIVE STRENGTH IS VITAL TO THE INDIVIDUAL WELL-BEING, ECONOMIC SECURITY AND OPPORTUNITY OF EVERY CITIZEN WE SERVE.

THAT IS THE PURPOSE OF THE PROGRAM BEFORE YOU.

